



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

OFFICE OF INVESTIGATIONS

DATE: March 11, 1983

REPORT OF INVESTIGATION

TITLE: William H. Zimmer Nuclear Power Station (ZNPS):  
Allegations Regarding the Presence of Representatives  
of the Bechtel Power Corporation at the ZNPS prior to  
November 1982

SUPPLEMENTAL: Docket No. 50-358

CASE NUMBER: H-83-001

CONTROL OFFICE: OI:HQ

STATUS: CLOSED

REPORTING OFFICE: OI:HQ

STATUS: CLOSED

PERIOD OF INVESTIGATION: January 20, 1983 - March 1, 1983

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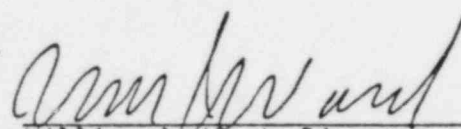
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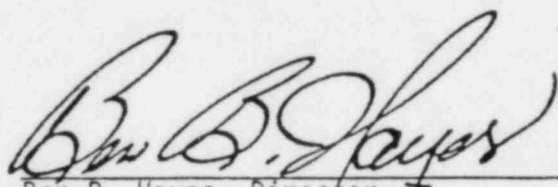
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## SUMMARY

The Nuclear Regulatory Commission (NRC) issued an "Order to Show Cause and Order Immediately Suspending Construction" at the William H. Zimmer Nuclear Power Station (ZNPS) on November 12, 1982. The Order requires that the licensee, the Cincinnati Gas and Electric Company (CG&E), obtain (subject to the approval of the NRC) an independent review of its management of the ZNPS project. On November 26, 1982, CG&E proposed that the Bechtel Power Corporation (Bechtel) be approved by the NRC as the organization to perform the third party assessment. CG&E submitted a letter to the NRC on January 3, 1983, which addresses the issue of Bechtel's independence. In this regard, CG&E maintains the initial contact between Bechtel and CG&E occurred telephonically on November 2, 1982, the first off-site meeting transpired on November 5, 1982 and Bechtel representatives were not on site prior to November 15, 1982.

The Government Accountability Project (GAP) challenged this nomination on the premise that Bechtel lacked the required independence as evidenced by the alleged presence of Bechtel personnel at the ZNPS site in the Summer and Fall of 1982. Further, since this time period is contradictory to information reported by CG&E and Bechtel, GAP contended material false statements may have been made. GAP supported its position in a letter dated January 20, 1983 which reports <sup>Bechtel</sup> ~~GAP~~ had communicated with CG&E or arrived on site before November 1982. The letter contains specific details concerning the alleged arrival and on-site activity of Bechtel representatives between August 1 and November 1982.

Accordingly, an investigation was conducted by the NRC Office of Investigations (OI) to establish the dates and nature of all contacts between CG&E and Bechtel, and to determine whether Bechtel was on site, performing any services and/or in receipt of any pertinent information concerning the ZNPS prior to November 1982. The individuals who had volunteered their observations to GAP were interviewed. They reiterated that Bechtel had personnel at the ZNPS between August and November 1982, and furnished amplifying information to support their allegations. An examination of the ZNPS gate logs revealed three Bechtel officials had been at the site on November 5, 1982. During subsequent interviews, these and other Bechtel and CG&E officials explained this was an informal tour of the facility which was a continuation of the off-site meeting held earlier that day; and CG&E officials cited these reasons for the omission of this visit from CG&E's

list of site visits submitted to the NRC. With the exception of two Bechtel personnel seeking employment with the Henry J. Kaiser Company (Kaiser), ZNPS records contained no additional evidence of a Bechtel presence on site prior to November 15, 1982. The trailer which had purportedly been utilized by suspected Bechtel representatives was determined to be exclusively occupied by CG&E employees since its installation in September 1982. Upon interview, the NRC Senior Resident Inspector denied the allegation that he had been in the presence of Bechtel personnel at the ZNPS. Two former Kaiser employees who had reportedly identified the Bechtel executive who would be responsible for the audit, were interviewed. Both denied either being aware of this assignment or speculating on its possibility. However, each acknowledged being in contact with Bechtel during the Summer of 1982 in an attempt to obtain employment by Bechtel at nuclear sites other than the ZNPS. Interviews were effected with three site personnel who were alleged to have variously remarked that a particular trailer was being used by Bechtel, professed knowledge of a relative who was assisting Bechtel personnel to find housing in the area and introduced individuals as Bechtel employees. All denied making these representations; although one conceded the remote possibility of having introduced someone in jest as a Bechtel employee. Another interview resolved that one Bechtel representative who had registered at a local motel for one night in September 1982, had been seeking employment in the area but he had not been at the ZNPS. Inquiries at local police departments, real estate firms, car rental agencies and other motels produced no records or information indicative of the presence of Bechtel prior to November 1982.

In conclusion, inquiries at local business establishments and law enforcement agencies, an examination of all pertinent records, and interviews of NRC resident inspectors, site security guards, present and former CG&E and Kaiser employees, CG&E and Bechtel officials, and consulting firm personnel surfaced no evidence to corroborate the allegations of Bechtel representatives being on site or having any contact or relationship with CG&E or the ZNPS project prior to November 1982. Relatedly, in the absence of indications of an earlier Bechtel involvement at the facility, the alleged material false statements were not substantiated.



However, the investigation confirmed the existence of pervasive and continuing rumors among ZNPS site personnel between August and November 1982 that Bechtel either was on site or would be arriving to assist or replace Kaiser as the prime construction contractor. One individual acknowledged he may have contributed to these rumors by jokingly displaying his expired Bechtel badge on site and remarking that he was working for Bechtel. He also attributed the rumors to Bechtel employment applications being circulated on site and the appearance of a Bechtel job announcement in a Cincinnati, Ohio, newspaper in October 1982. Inquiries at Bechtel established that this recruitment effort pertained to positions with Bechtel at other nuclear projects and it did not involve the ZNPS. Various interviewees suggested that CG&E consultants at the site may have been erroneously identified as Bechtel personnel. This was attributed to the similarity between the consultants and the alleged Bechtel representatives in respect to the time period on site, wearing apparel and functions performed. Further, interviews disclosed several consultants were formerly employed by Bechtel and reportedly, at least one of them carried a briefcase with the Bechtel logo. During interviews, officials of the consulting firms declared they had been retained solely by CG&E, they had no affiliation with Bechtel and they did not share any reports or information with Bechtel.

DETAILS

PURPOSE OF INVESTIGATION

This investigation was conducted to establish the dates and circumstances of all contacts between CG&E and Bechtel, and to determine whether Bechtel was on site, performing any services and/or in receipt of any information concerning the ZNPS prior to November 1982.

BACKGROUND

As one of the stipulations in an NRC-issued Order to Show Cause and Order Immediately Suspending Construction, dated November 12, 1982, the licensee, the Cincinnati Gas and Electric Company (CG&E), was required to obtain an independent review of its management of the Zimmer Nuclear Power Station (ZNPS) project; and the selection of the independent organization was subject to the approval of the NRC. By letter dated November 26, 1982, CG&E proposed that the Bechtel Power Corporation (Bechtel) be retained as the organization to conduct the independent assessment. This submittal also contains a revised proposal from Bechtel to CG&E which referenced an initial proposal to CG&E on November 3, 1982, which preceded the issuance of the Order. On December 28, 1982, the NRC Region III (RIII) requested that CG&E provide supplemental information to its November 26, 1982 submittal which was to be, in part, responsive to the issue of Bechtel's independence. The licensee complied with this request in a letter dated January 3, 1983. In support of its contention that Bechtel was an independent entity, CG&E asserted that it had initially established telephonic contact with Bechtel on November 2, 1982, Bechtel made an initial presentation to CG&E off site on November 5, 1982, and Bechtel representatives originally appeared at the site on November 15, 1982.

The RIII Regional Administrator provided the licensee's November 26, 1982 submittal to all interested parties on December 1, 1982. In a letter to the NRC dated December 6, 1982, and during a public meeting convened on January 5, 1983, The Government Accountability Project (GAP) on behalf of the Miami Valley Power Project (MVPP) challenged the independence of Bechtel in view of the acknowledged working relationship between CG&E and Bechtel which existed immediately prior to the Order being issued, and due to the alleged presence of Bechtel personnel on site during the Summer and Fall of 1982. Further, since Bechtel was reportedly on site prior to the dates stated by CG&E and Bechtel, GAP maintained these firms may have made material false statements. GAP and other public critics also suggested a financial conflict of interest may exist in view of reported underwriting purchases of Dayton Power and Light stock by Dillon, Read and Company, Inc., an investment company which is reportedly a wholly-owned Bechtel subsidiary.

Following the January 5, 1983 public meeting, GAP reportedly contacted several former ZNPS employees to obtain additional details of previous allegations that Bechtel representatives had been on site since August 1982. In a letter to RIII dated January 20, 1983, GAP claimed that their inquiries confirmed that contrary to information provided by CG&E, Bechtel personnel had been continuously at the ZNPS between August 1, 1982 and the issuance of the NRC Order on November 12, 1982. The letter with an enclosed affidavit from one of the witnesses (identity deleted) contains the following allegations: (1) Bechtel employees were regularly observed on site commencing on August 1, 1982; (2) the Bechtel identification was based upon the individuals wearing Bechtel hardhats and business suits containing the Bechtel logo; (3) on about August 15, 1982, the group began using a double wide trailer which had been installed on site (location depicted); (4) one member of the group stated they were from Bechtel, their job was to study code compliance and accountability and Bechtel had 200 employees on stand-by for a larger project at the facility; (5) Mr. SODERHOLM, a Bechtel executive at Midland, had been designated to supervise the audit and; (6) the NRC Senior Resident Inspector at the site had been seen standing beside members of the group. The GAP letter also contains the results of research into the alleged conflict of interest issued. Reportedly, Dillon, Read and Company, Inc. was acquired by Bechtel in June 1981, and has purchased stock and bonds in the three utilities owning the ZNPS between 1973 and 1982. The letter concludes with the request that the NRC reject the nomination of Bechtel due to its apparent lack of independence and financial conflict of interest, or at least withhold approval of the Bechtel selection until these issues and the related accusation of making misleading or false statements are resolved through investigation. The letter from GAP, including the affidavit, is set forth as Attachment 1.

On January 20, 1983, the RIII Regional Administrator requested an investigation by the NRC Office of Investigations (OI) to ascertain the validity of the alleged presence of Bechtel representatives at the ZNPS prior to November 1982. Inquiries determined that the issue regarding Bechtel's alleged financial conflict of interest will be researched and evaluated by the RIII staff. A decision by RIII concerning Bechtel's suitability for selection as the independent third party reviewer at the ZNPS is being held in abeyance until these issues have been resolved.

DOCUMENT EXAMINATIONS

On January 20 and 21, 1983, NRC Investigators Edward C. Gilbert and John R. Sinclair reviewed the following documentation maintained at RIII which was considered pertinent to this investigation:

NRC "Order to Show Cause and Order Immediately Suspending Construction," issued on November 12, 1982: Section IV B(1)(a) of the Order directs CG&E to undertake specific actions including (1) obtaining an independent review of its management of the ZNPS project including its quality assurance program and its quality verification program and (2) receiving the Regional Administrator's approval of the independent organization selected to conduct the review.

Memorandum For the Region III Files, dated November 24, 1982: This document details information discussed during two meetings held on November 17, 1982 which were variously attended by RIII, CG&E and the Bechtel Ann Arbor Power Division (AAPD). CG&E advised NRC that prior to the issuance of the Order it had already arranged to have AAPD conduct an analysis of CG&E's management of the project, and that AAPD had commenced this review. The NRC advised it would not prevent AAPD from continuing this review although CG&E was proceeding at its own risk since the selection of AAPD had to be approved by the Regional Administrator. Further, the approval determination would be based upon a written submission from CG&E setting forth various criteria including whether AAPD (and Bechtel generally) has the necessary independence from CG&E, i.e. whether Bechtel has performed work for CG&E. AAPD volunteered it had initiated its review on site and anticipated completing the initial assessment of CG&E's management and making recommendations to CG&E within three weeks. This memorandum is made Attachment 2.

Bechtel letter to CG&E, dated November 23, 1982: This is a revision to Bechtel's original proposal (Technical Services Agreement) submitted to CG&E on November 8, 1982 regarding the provision of services at the ZNPS. It responds to the November 12, 1982 Order and incorporates the requirements of the independent review of the management of the project as outlined in Section IV B(1)(a). The twelve members of the Bechtel independent review team are identified in Appendix B-1 to the letter.



INVESTIGATOR'S NOTE: R. SODERHOLM, who was allegedly identified prior to August 1982 as the individual who was to be in charge of the Bechtel audit (Attachments 1, 14 and 15 pertain), is included as a member of the review team.

Appendix D-1 to the letter contains Bechtel's "Demonstration of Independence" from CG&E and the ZNPS project. It specifically denies that either Bechtel or any of its members of the independent review team:

- . have been previously involved in the ZNPS project
- . have been previously hired by CG&E to do similar work
- . have been previously employed by CG&E
- . own or control significant amounts of CG&E stock
- . have present household members employed by CG&E
- . have relatives employed by CG&E in a management capacity

The Bechtel letter (without enclosures), Appendix B-1 and Appendix D-1 are set forth as Attachments 3, 4, and 5, respectively.

CG&E Letter to the Regional Administrator, dated November 26, 1982: By this letter, CG&E submitted documentation in support of its selection of Bechtel to act as the independent organization to perform the required management review as stipulated in Section IV B(1)(a) of the Order. Bechtel's proposal of November 23, 1982 to CG&E (Attachment 3) is an enclosure to the CG&E letter. In its letter to the NRC, CG&E points out that prior to the Order being issued, CG&E had concluded that an outside firm should be utilized at the ZNPS for additional project management and problem solving expertise. Accordingly, CG&E had solicited (dates not indicated) proposals from three firms and, after analyzing the submittals, Bechtel had been selected as the most qualified. Therefore, by a previous letter to the NRC dated November 10, 1982, the CG&E had set forth a proposed program to use Bechtel as a management, quality assurance and construction consultant. CG&E also notes that the program outlined in the NRC Order parallels the program detailed in the CG&E letter of November 10, 1982. Further, CG&E expresses its opinion that the selection process which had been utilized in the decision to employ the services of Bechtel in CG&E's proposed program is also appropriate for the nomination of Bechtel as the independent organization to fulfill the requirements of the Order. CG&E's letter (without enclosure) is appended as Attachment 6.

Applicants' (CG&E's) response to the Show Cause Order, dated December 7, 1982: This document contains CG&E's consent to the requirements set forth in Section IV of the Order and reports CG&E's recognition that the terms of Section IV B become effective upon this consent. The document is made Attachment 7.

Region III letter to CG&E, dated December 28, 1982: In this letter, the NRC requests that CG&E provide supplemental information to its November 26, 1982 submittal (Attachment 6) proposing that Bechtel be approved as the independent organization to conduct the management review. In respect to the issue of Bechtel's independence, the following additional information was solicited from CG&E and Bechtel:

1. Copies of all documents and an explanation of any oral understandings pertaining to CG&E's plans to utilize Bechtel as described in CG&E's letter of November 10, 1982 and a chronology of meetings between CG&E and Bechtel and site visits by Bechtel employees in connection with this effort.
2. A signed sworn statement from each member of the Bechtel survey team reporting the following:
  - a. whether the employee has engaged in any work or business involved with or related to the engineering or design of the ZNPS;
  - b. whether, during the term of the management review, the employee or members of his/her immediate family shall have cumulative beneficial interests in CG&E or the other Applicants which exceed five percent of their gross family income;
  - c. whether any member of the employee's immediate family is employed by the Applicants.
3. An explanation of whether Bechtel's activities at the site prior to

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the NRC's acceptance of an independent reviewer adversely affect Bechtel's objectivity in performing the management review and recommending a course of action.

The RIII letter including an attached list of the above questions is set forth as Attachment 8.

Bechtel letter to CG&E, dated December 29, 1982: This letter supplements previous information and was prepared in response to RIII's request of December 28, 1982 (Attachment 8 pertains). In regard to questions posed concerning Bechtel's independence, the letter contains the following details: Prior to the Order to Show Cause of November 12, 1982, Bechtel was contacted (date and place not indicated) by CG&E to perform an assessment of the ZNPS and to subsequently assume a management role to assist CG&E in the project management. As a result of this contact, an agreement was reached (date and place not indicated). Accordingly, a team was assembled by Bechtel and the team arrived on site on the first working day after the Order was effective (presumably November 15, 1982) to conduct a preliminary evaluation of the existing conditions. The letter expresses the Bechtel belief that since CG&E and Bechtel had independently and voluntarily agreed to a review similar to that set forth in the Order, Bechtel does not believe that its objectivity has or will be affected. Bechtel also reported that the requested affidavits are presently being prepared. The Bechtel letter is appended as Attachment 9.

CG&E letter to Region III, dated January 3, 1983: This letter provides supplemental information in response to RIII's request of December 28, 1982 (Attachment 8 pertains). The letter, which is made Attachment 10, furnishes the following answers to questions raised regarding the independence of Bechtel: Documentation maintained by CG&E related to its intention to utilize Bechtel as outlined in the CG&E letter of November 10, 1982, is limited to a proposal submitted by Bechtel to CG&E with a transmittal letter dated November 8, 1982. These Bechtel documents (less contract terms and conditions) are enclosed to the CG&E letter, and the Bechtel letter of transmittal without enclosures is appended as Attachment 11. The Bechtel transmittal letter refers to a discussion (location not indicated) between CG&E and Bechtel which occurred "last Friday" (presumably November 5, 1982). In respect to oral understandings, the CG&E letter of January 3, 1983 reports that on November 2, 1982 CG&E telephonically solicited a presentation from Bechtel, on November 5, 1982 Bechtel made an initial presentation

(location not indicated), on November 8, 1982 Bechtel submitted (location not indicated) a proposal and on November 10, 1982 CG&E verbally notified (manner and/or location not indicated) Bechtel that the latter's proposed program (formal proposal of November 8, 1982) would be submitted to the NRC. In response to the question regarding Bechtel's objectivity, CG&E replied that Bechtel's activities have not been compromised in any respect and it has not been given any preconceived ideas or direction by CG&E. As enclosures to its January 3, 1983 letter, CG&E also submitted lists of off site meetings between CG&E and Bechtel and on site visits by Bechtel personnel. These lists, which are made Attachments 12 and 13, respectively, disclose the first off site meeting occurred on November 5, 1982 and the first on site visit transpired on November 15, 1982. The CG&E letter also forwarded as an enclosure the Bechtel letter to CG&E dated December 29, 1982 (Attachment 9 pertains) which contains supplemental information.

INTERVIEWS OF ALLEGERS

On January 21 and 22, 1983, [redacted] was interviewed at his residence by NRC Investigators Gilbert and Sinclair. He stated he was employed as a [redacted] at the ZNPS from [redacted] until [redacted]. [redacted] reiterated the following information which he had previously provided to GAP concerning his knowledge of Bechtel personnel being present at the ZNPS: He recalled that between approximately August 1 and 3, 1982 he observed six individuals enter the south gate (main entrance) of the ZNPS at about 9:30 A.M. and go into a permanent building called the "head shed". He advised the group wore business suits, CG&E hardhats and visitors badges, and he saw the Bechtel logo on one of the suits and on one of the briefcases. [redacted] noted that the group moved into a double-wide trailer which was installed on site on approximately August 15, 1982. He identified this as trailer #152 as depicted on an aerial photograph. He remarked the group increased from six to eight and eventually twelve, and they were regularly observed on site between August and November 1982. [redacted] related that in early September 1982 one member of the group told him the group worked for Bechtel and they were conducting a management review, studying the plant for code compliance and accountability and making a determination as to whether the project could be completed within normal quality assurance requirements. He continued that the individual also explained that Bechtel would submit a report to the "number one man," and Bechtel had 200 men on stand-by to come to the facility. [redacted] provided a physical description of this individual and the vehicle he was driving. He added that this car and others which he suspected belonged to the Bechtel group had California license plates and they were regularly observed in the north parking lot. [redacted] also commented that he saw this individual and about two other members of the group standing with the NRC Resident Inspector, Fred CHRISTIANSON, and several CG&E and Henry J. Kaiser Company (Kaiser) employees on approximately September 1, 1982. [redacted] pointed out that the apparent presence of Bechtel representatives on site between August and November 1982 was no surprise to anyone since prior to the group's arrival in August 1982 rumors had been widespread that Bechtel would be replacing Kaiser at the ZNPS. Further, he revealed that prior to August 1982, two quality control inspectors, who were former Bechtel employees, told him they had received offers of future employment by Bechtel at the ZNPS. He added that these two individuals also related that a



Bechtel executive at the Midland project, Mr. SODERHOLM, would be supervising the audit at the ZNPS. [redacted] furnished descriptive data regarding these individuals. [redacted] recommended that [redacted] be interviewed as additional witnesses to corroborate his observations. [redacted] signed sworn statement incorporating his verbal disclosures is made Attachment 14, and a typed copy of his statement is Attachment 15.

[redacted] was interviewed at [redacted] by NRC Investigators Gilbert and Sinclair on January 22 and 23, 1983. He stated he was employed at the ZNPS by [redacted] and by [redacted]

[redacted] provided the following information concerning his awareness of Bechtel representatives being on site at the ZNPS prior to November 1982: To his recollection, his first encounter with individuals from Bechtel at the ZNPS occurred in September 1982. He explained that on this occasion a CG&E supervisor, Herb BRINKMANN, introduced three individuals to him as Bechtel representatives who were reportedly present to conduct an audit. However, he could not recall their names or identifying characteristics. [redacted] also recounted that in approxi-

mately October 1982 another CG&E employee, John HERMAN, told him there were eight Bechtel personnel on site and his (HERMAN's) father-in-law, an attorney, was attempting to locate houses for the Bechtel representatives. He also recalled a new trailer was brought on site (time period unknown) which was reportedly utilized by the Bechtel employees. He explained that the Kaiser Training Supervisor, Jim DANNER, told him the trailer was for the Bechtel personnel working at the site.

[redacted] advised he examined an aerial photograph of the ZNPS and identified this trailer as #152. He also recalled observing individuals wearing Bechtel hardhats on site prior to November 1982. He suggested that G. SHRADER be interviewed since he (SHRADER) may know the names of some of the individuals. [redacted] submitted a signed sworn statement detailing his remarks which is appended as Attachment 16. A typed copy of [redacted] statement is Attachment 17.

[redacted] at the ZNPS, was telephonically contacted by NRC Investigator Sinclair on January 24, 1983. He furnished the following information to support his belief that Bechtel personnel were present at the ZNPS prior to November 1982: During September



1982, a new trailer was installed on site next to the Kaiser training trailer. He understood this was designated trailer #152 after determining its location on an aerial photograph of the site. [redacted] stated he observed approximately six new (not previously seen) individuals working out of this trailer who he believed were Bechtel employees. He explained that he occasionally observed some of these individuals wearing white hardhats with Bechtel logos. He also related that Jim DANNER, Kaiser Training Supervisor, had told him the trailer had been installed for utilization by Bechtel. Further, [redacted] related he had heard a rumor on site to the effect that a large real estate firm, Sibcy and Cline, had been attempting to locate property in the Cincinnati, Ohio, area for Bechtel personnel. He could furnish no additional pertinent information.

[redacted] employed at the ZNPS, was telephonically contacted on January 23, 1983 by NRC Investigator Sinclair regarding his knowledge of Bechtel employees being on site at the ZNPS prior to November 1982. [redacted] advised that in late August or early September 1982 a new trailer was installed on site which was occupied by several individuals who had arrived on site during the same time period. He remarked that many Kaiser employees assumed these individuals were working for Bechtel. However, [redacted] denied that he had any personal contact or other observations to substantiate rumors that these individuals were Bechtel representatives. [redacted] noted that he had identified the location of the trailer used by these individuals on an aerial map and he understood it was designated #152. He could offer no additional pertinent information.

[redacted] was interviewed by NRC Investigators Gilbert and Sinclair at her residence on January 21, 1983. She stated that she was a former [redacted] at the ZNPS from [redacted]

[redacted] advised that she had no additional information pertinent to this investigation, and that the extent of her knowledge was based upon rumors and comments made to her by [redacted]

INVESTIGATOR'S NOTE: All five of the alleged requesters requested that their identities be held in confidence by the NRC during the instant investigation. However, they expressed their willingness to testify in any forthcoming administrative or judicial proceeding. Further,

they requested that their anonymity be maintained in the absence of any subsequent action. During the interviews of the five alleged, no individuals in addition to those identified supra, were developed as additional potential witnesses.

INTERVIEW OF GARY SHRADER

Gary SHRADER was telephonically interviewed by NRC Investigator Sinclair on January 25, 1983. This contact was effected in view of SHRADER being identified by one of the original alleged as an individual who knew the names of some of the suspected Bechtel personnel at the ZNPS project (Attachments 16 and 17 pertain). SHRADER advised he is a consultant employed by the consulting firm of Gilbert Associates. He advised he was assigned by this firm to the ZNPS for approximately eight months until mid October 1982 and he is now working at the Susquehanna Nuclear Project. He continued that while at the ZNPS he worked in a group of trailers assigned to Doug SHULTE and Harlan SAGER. SHRADER identified Nuclear Energy Services (NES) and Catalytic as the only other firms he was aware of which provided consulting services at the ZNPS during his assignment at the facility. He denied knowledge of any representatives of Bechtel being present at the ZNPS between July and November 1982. He pointed out that since he, himself, had previously worked for Bechtel he would likely have been cognizant of Bechtel's presence, and he would have expected any Bechtel employees on site to have been in contact with him. SHRADER could furnish no additional information pertinent to this investigation.

REVIEW OF ZNPS LOGS

On January 25 and 26, 1983, NRC Investigators Walker and Frost reviewed all access control and security logs maintained at the ZNPS to ascertain whether any entries exist to indicate the presence of Bechtel personnel between July 1 and November 15, 1982.

An examination of the internal "Visitor Logs" maintained at the NPD security gate revealed that on November 5, 1982 three Bechtel representatives, J. MOROWSKI, H. W. WAHL and W. G. HENRY, were on site between 2:23 P.M. and 4:41 P.M., and they were escorted by R. SYLVIA (CG&E). A copy of this log is appended as Attachment 18. There were no other pertinent entries.

INVESTIGATOR'S NOTE: This site visit was not included by CG&E on its submittal to the NRC of a list of site visits which reported November 15, 1982 as the first appearance of Bechtel personnel at the ZNPS (Attachment 13 pertains).

An examination of the "Visitor Logs" at the two external entry gates, the "Main" (South) gate and the "High Level" (North) gate, revealed the following: On August 9, 1982, and on August 10, 1982, registered at the "Main" gate as Bechtel employees to see Donald BILLER, Kaiser Personnel Manager, to seek employment. Inquiries confirmed that both individuals sought positions with Kaiser; one obtained a secretarial position and the other, a , declined an employment offer. The only other entries on the external gates "Visitor Logs" which documented a Bechtel affiliation appeared on "Main" gate Logs dated November 15, 1982. This "Visitor Log," which is made Attachment 19, identifies ten Bechtel representatives who entered through the "Main" gate on November 15, 1982 to see Earl BORGMANN.

INVESTIGATOR'S NOTE: This November 15, 1982 site visit by Bechtel personnel was included on the list of site visits submitted by CG&E to the NRC (Attachment 13 pertains). However, one individual, J. WALKER, who was identified in Attachment 13 as being at the site on November 15, 1982, was not registered in the "Visitor Log" of that date (Attachment 19 pertains).

The external gates "Visitor Logs" did not contain the initial entry and exit of the three Bechtel personnel on November 5, 1982 as documented in the internal NPD security gate "Visitor Log" (Attachment 18 pertains). Inquiries determined that the "High Level" gate is the normal entry point for CG&E corporate officials. Additionally, during interviews WWS security guards assigned to the exterior gates conceded the possibility of individuals being able to enter the facility through the perimeter gates without this entry (and subsequent exit) being recorded in the external gates "Visitor Logs" if they are escorted by CG&E management officials (i.e., SYLVIA). Further, inquiries revealed that prior to approximately the second week of January 1983, all "Visitor Logs" maintained at the "High Level" gate by Donald R. WELCH, Supervisor of Safety and Security for CG&E, were routinely transferred to NPD security and destroyed after thirty days.

INVESTIGATOR'S NOTE: The destruction of these records violates CG&E's Owners Project Procedure 2.5, 6.7.2 which directs that completed gate logs are to be submitted to and retained by the CG&E Construction Manager; and copies of the logs may be provided to interested parties. However, it was ascertained through contact with James R. CREED, Chief, Safeguards Section, RIII, that the destruction of these logs does not constitute a violation of NRC regulations.

The review of the internal and available external gates "Visitor Logs" also disclosed that individuals representing various consulting firms were regularly on site between August 3 and October 28, 1982. Further, according to available records, the consultants primarily utilized the "Main" gate. However, as previously reported, logs for the "High Level" gate had been destroyed. There were no significant log entries in the August 1 through August 3, 1982 time period to substantiate or otherwise explain the alleged arrival of six individuals in business suits at the "Main" gate at approximately 9:30 A.M. during this period (Attachments 14 and 15 pertain). Interviews of available security guard personnel who had been assigned to external and internal gates during the relevant time period surfaced no recollections of Bechtel representatives being at the ZNPS between August and November 1982.

A search of the "Temporary Access," "Limited Access" and "Access" logs for the quality assurance vault at the ZNPS revealed that no Bechtel personnel gained access to the vault records between July 1 and November 15, 1982.

Inquiries were directed toward the procedures controlling access to civil structural files and electrical and welder certification records. This disclosed that each area has an authorized access list consisting of five to eight individuals who are assigned in the immediate area of the files. In theory, only individuals identified on the access lists are allowed to retrieve records, and the individual reviewing a record is required to sign the file. Time constraints and the massive volume of documents precluded an examination of individual files. However, interviews of available individuals on the various access lists surfaced no indications of Bechtel personnel being observed or having access to the records between July 1 and November 15, 1982.

Waldman F. CHRISTIANSON, NRC Senior Resident Inspector at the ZNPS, reviewed the site "Badging Log." This disclosed that eleven Bechtel personnel received badges on November 15, 1982.

INVESTIGATOR'S NOTE: These eleven individuals were identified by CG&E as being on site on November 15, 1982 in the CG&E submittal of site visits (Attachment 13 pertains).

The "Badging Log" contained no record of Bechtel personnel receiving badges prior to November 15, 1982. Additionally, a review of the "permanent" badged employees entry logs for all gates disclosed no entries for these or other identified Bechtel employees prior to November 15, 1982.



INVESTIGATION CONCERNING TRAILER ALLEGEDLY USED BY BECHTEL

As previously reported, interviews of the original alleged by NRC Investigators Gilbert and Sinclair produced professions that Bechtel representatives were occupying a double-wide trailer installed next to the Kaiser training trailer in mid August or September 1982. Further, since these alleged had access to an aerial photograph of the ZNPS site which depicted this trailer, they were able to specify its location with certainty. In response to these allegations, the following information was developed: An examination of the aerial photograph furnished by GAP with the location of the trailer circled (Attachment 1 pertains), established the identity of the trailer as #152. The on-site history of trailer #152 was developed through documentation variously collected by NRC Senior Resident Inspector W. Fred CHRISTIANSON on January 20 and 21, 1983, and NRC Investigators Walker and Frost on January 25 and 26, 1983. These records reveal that, as alleged, trailer #152 is a double-wide trailer consisting of two 12' X 64' sections positioned immediately adjacent to the Kaiser training trailer. The Kaiser Purchase Order (#49039) and Kaiser Material Received Reports (#81637 and #81638) disclose the two sections were delivered to the site on September 1 and 2, 1982. The Kaiser Carpenter Shop Logs contain work requests dated September 8, 14 and 15, 1982 to prepare the trailer for occupancy, and indicate work was completed on September 16, 1982. The Purchase Order, Material Received Reports and Carpenter Shop Logs are set forth as Attachment 20.

On-site inquiries established that trailer #152 has been exclusively occupied and utilized by CG&E personnel assigned to Task I and Task VII of the Quality Confirmation Program between approximately September 16, 1982 and the present. Interviews of members of Task I and Task VII (page 28 pertains) confirmed that no Bechtel personnel have utilized or been observed in this trailer since its installation. Additionally, two individuals occupying the adjacent Kaiser Training Trailer during the entire period denied that trailer #152 had been used by employees of Bechtel (page 30 pertains). Four other trailers in the immediate vicinity of trailer #152 were also examined. All had been on site since June 1982 or earlier and none had been occupied by personnel from Bechtel or other unidentified organizations.

TENTATIVE IDENTIFICATION OF INDIVIDUALS WHO ALLEGEDLY  
POSSESS PERTINENT INFORMATION

In the affidavit submitted by GAP (Attachment 1 pertains), a witness alleged knowledge of Mr. SODERHOLM, a Bechtel executive at the Midland Nuclear Project, being nominated to supervise the Bechtel audit at the ZNPS. R. SODERHOLM was identified by Bechtel as a member of the Bechtel review team (Attachment 4 pertains). During the reinterview of GAP's witness by NRC investigators (Attachments 14 and 15 pertain), the witness furnished physical characteristics and background information regarding two Kaiser employees (names unknown) who were allegedly the sources of this information. Reportedly, these individuals were former Bechtel employees who had received offers of future employment by Bechtel at the ZNPS.

After being provided with available descriptive and background data, NRC Resident Inspector T. Pat GWYNN conducted discreet inquiries regarding these individuals at the ZNPS. As a result, on February 8, 1983, they were tentatively identified as Dave SULOFF and Ray MARKS. Both individuals were reportedly former Bechtel employees who had been hired by Kaiser at the ZNPS. However, neither individual is presently employed on site. Covert inquiries determined that SULOFF and MARKS may currently be employed by Bechtel at the Midland and Palo Verde nuclear projects, respectively.

INTERVIEW OF DAVID SULLOFF

On February 15, 1983, David SULLOFF (page 18 pertains) was telephonically interviewed by NRC Investigator Frost. He advised he was previously employed at the ZNPS by Kaiser as a level II quality control engineer (pipes and hangers) from March 19 to August 19, 1982, and he presently works for Bechtel in the same capacity at the Midland nuclear project. Additionally, he related that prior to his employment at the ZNPS, he worked for Bechtel at the Limerick Nuclear Project. SULLOFF was questioned concerning his alleged advance knowledge of SODERHOLM being assigned by Bechtel to the audit of the ZNPS and his reported comments regarding his (SULLOFF) receiving assurances from Bechtel that he would be rehired by Bechtel at the ZNPS (Attachments 1, 14 and 15 pertain). SULLOFF denied being aware of or publicly speculating about SODERHOLM's reassignment by Bechtel from Midland to the ZNPS. Further, he denied engaging in any discussions with Bechtel concerning his (SULLOFF) being re-employed at the ZNPS. In respect to the latter, he remarked that while working at the ZNPS, he was very anxious to obtain employment elsewhere, and he had no desire to continue working at the ZNPS facility under any conditions. He explained that he was very concerned with the quality control policies and practices at the ZNPS. In this respect, SULLOFF volunteered that he had been in contact with Bechtel in an attempt to secure a position at Midland or Limerick. He also noted that during his tenure at the ZNPS, he was aware of no rumors pertaining to Bechtel representatives being on site.

SULLOFF recalled that while at the ZNPS he worked with another former Bechtel employee who may presently be working for Bechtel at the San Onofre Nuclear Generating Station. He agreed that this individual's physical characteristics approximate those of the actor, Dick VanPatton. SULLOFF pointed out that this

individual, similarly, had no desire to continue working at the ZNPS and sought future employment with Bechtel at another facility. Additionally, SULOFF was unaware of this individual making any reference to SODERHOLM being transferred by Bechtel to the ZNPS. He could not recall this individual's name.

INVESTIGATOR'S NOTE: This individual is presumably Ray MARKS (Attachment 14 and 15 and page 18 pertain). SULOFF described himself as having long hair, a beard and a Harley-Davidson tattoo on his arm. This corresponds with the description provided by the witness (Attachment 14 and 15 pertain).

INTERVIEW OF RAYMOND MARKS

Raymond G. MARKS (pages 18 and 20 pertain) was interviewed by NRC Investigators Walker and Frost at the Midland nuclear project on February 28, 1983. He confirmed the following information concerning his employment history which had been previously obtained by the NRC investigators through other sources: He was employed by Bechtel at the Palo Verde nuclear project as a pipe fitter welder and a hanger welder engineer from April 16, 1980 to July 9, 1982; he worked for Kaiser at the ZNPS as a quality control hanger inspector from July 1982 to November 15, 1982; he worked for the B and W Construction Company, Sheboygan, Wisconsin, from November 1982 to February 18, 1983; and he commenced re-employment by Bechtel at the Midland nuclear project as a quality control hanger inspector on this date (February 28, 1983).

MARKS was queried regarding his alleged advance knowledge of SODERHOLM being designated by Bechtel to supervise the audit of the ZNPS and his reported remarks concerning his (MARKS) being assured by Bechtel that he would be rehired by Bechtel at the ZNPS (Attachments 1, 14 and 15 pertain). MARKS declared he had never heard of SODERHOLM and he possessed no knowledge of specific Bechtel personnel who were being considered for future reassignment to the ZNPS. Additionally, he denied stating or implying that he had discussed or been offered a potential position by Bechtel at the ZNPS. He pointed out that he was appalled at the existing quality control policies at the ZNPS. Therefore, he had no desire to continue working at the ZNPS any longer than necessary; and he had contacted Bechtel in an attempt to secure re-employment at another nuclear project.

MARKS stated that to his knowledge no Bechtel personnel were at the ZNPS during his tenure of employment with Kaiser. However, he volunteered there were persistent rumors to the effect that Bechtel representatives were either on site or expected to arrive in the near future. He attributed these rumors to the following factors: He disclosed that Bechtel placed an advertisement in a Cincinnati, Ohio, newspaper (date and publication unknown) reporting that Bechtel would be conducting job interviews on October 30 and 31, 1982. He allowed that the notice did not indicate the positions would be at the ZNPS, although individuals may have formed this conclusion. Additionally, MARKS



revealed that many individuals at the ZNPS, including himself, were filling out job applications for employment with Bechtel. He explained that the "head man" in the ZNPS had requested employment applications from Bechtel. Therefore, Dave KATZ, Personnel Chief for Bechtel in Los Angeles, California, had forwarded a supply of blank applications to this individual in October 1982. He continued that these employment applications were circulated and made available to anyone interested in employment with Bechtel. He noted that ZNPS personnel were seeking employment with Bechtel but not necessarily at the ZNPS. MARKS also recalled that Cliff BATCHELDER, a job shopper for Kaiser in the document review group, had told him (time period unknown) that Bechtel would be at the ZNPS to review documents. Further, MARKS alluded to rumors that a particular trailer had been brought on site for future utilization by Bechtel personnel; however, he was unable to furnish any details. He observed that as a result of the pervasive rumors, the appearance of the Bechtel newspaper advertisement and the availability of Bechtel employment applications on site, he had assumed Bechtel would be performing future work at the ZNPS, and he had shared this opinion with his co-workers at the ZNPS. MARKS also acknowledged the likelihood that he personally contributed to the rumors of Bechtel employees being on site. He explained that he carries an expired Bechtel badge (#85518(1)NM2219) in his wallet which had been issued to him when he was working at Palo Verde. He continued that during his employment at the ZNPS he occasionally displayed this badge to various individuals on site and claimed that he was working for Bechtel. MARKS stated he did this simply as a joke and he expressed regret if his actions had created any problems. He was unable to furnish additional pertinent information.

INVESTIGATOR'S NOTE: MARKS is apparently the individual referred to by the witness since his physical characteristics are similar to those of the actor, Dick VanPatton (Attachments 14 and 15 pertain).



INQUIRIES CONCERNING BECHTEL'S ALLEGED NEWSPAPER ADVERTISEMENT  
SOLICITING JOB APPLICANTS

As a result of disclosures by Raymond MARKS that Bechtel had reportedly advertised for job applicants in a Cincinnati, Ohio, newspaper in October 1982 (page 21 pertains), the following Bechtel personnel were telephonically contacted by NRC Investigator Walker on March 1, 1983:

(FNU) TENNO, Personnel Manager, Ann Arbor Power Division  
David KATZ, Personnel Chief, Los Angeles Power Division  
Hash NEWMAN, Chief of Employment Staff, San Francisco Power Division  
Patrick FLYNN, Director of Advertising in Charge of Recruitment

These individuals researched pertinent records and variously furnished the following information: On October 17 and 24, 1982, the Los Angeles Power Division of Bechtel had advertisements appearing in the Cincinnati Enquirer. The advertisements reported that interviews would be held in Cincinnati on October 30, 1982 for construction engineers interested in "sun belt opportunities" with Bechtel. Interviewees advised this phrase pertains to the Palo Verde and South Texas nuclear projects. Additionally, they informed that similar advertisements were also placed in newspapers in Norfolk, Virginia, and Pittsburg, Pennsylvania, during the same time period. All individuals contacted averred that these recruitment efforts were not directed toward any anticipated Bechtel involvement at the ZNPS.

INTERVIEW OF JAMES DANNER

James DANNER, a training coordinator employed by Kaiser, was interviewed by NRC Investigators Walker and Frost on January 25, 1983 at the ZNPS. He acknowledged that trailer #152 is located immediately adjacent to his (DANNER's) office. However, he denied observing or ever telling anyone that Bechtel representatives were occupying or working out of trailer #152. Further, he could offer no explanation for allegations of comments made by him to this effect (pages 10 and 11 and Attachments 16 and 17 pertain). DANNER stated that he had no knowledge of Bechtel employees being present on the ZNPS site between July and mid November 1982. In this regard, he denied observing any Bechtel logos on suits, briefcases, hardhats or any other items during the time period in question. He also remarked that he first became aware of the presence of Bechtel personnel on site approximately two weeks prior to this interview.

INTERVIEW OF JOHN HERMAN

On January 26, 1983, John HERMAN, technical coordinator for CG&E, was interviewed by NRC Investigators Walker and Frost at the NRC Resident Inspector's office at the ZNPS. HERMAN related that prior to November 1982 he was assigned to the Nuclear Engineering Department and reported to Herb BRINKMAN. HERMAN acknowledged that between approximately July and November 1982 he had heard numerous rumors concerning Bechtel employees purchasing homes in the local area. However, he denied being in possession of any information which would substantiate these rumors. In this respect, HERMAN stated he could not recall making any remarks which would infer or be construed as him having any relatives who were assisting Bechtel employees who were seeking housing in the local area. Additionally, he could suggest no rationale for allegations to this effect being attributed to him (page 10 and Attachments 16 and 17 pertain). HERMAN did, however, confirm that his father-in-law is a practicing attorney for a savings and loan association in the Cincinnati area. He concluded by remarking that he had not observed anyone on site displaying Bechtel logos on suits, briefcases, hardhats or notebooks between July and November 1982.

INTERVIEW OF HERB BRINKMAN

Herb BRINKMAN, employed by CG&E as manager of the Nuclear Engineering Department, was interviewed at the NRC Resident Inspector's office at the ZNPS on February 1, 1983 by NRC Investigators Walker and Frost. He denied observing any unidentified individuals on site between July and November 1982 whom he suspected of being Bechtel employees. Further, he was not aware of anyone wearing or displaying Bechtel logos which would signify a Bechtel affiliation. However, he pointed out that several consultants (NFI) were working at the ZNPS between approximately July and November 15, 1982 who had formerly been employed by Bechtel. Accordingly, he conceded the possibility that some of these individuals may have had Bechtel logos on their briefcases or other items. BRINKMAN disclosed that the consultants were attired in business suits and in some instances they wore coveralls over their business suits. He also recalled seeing them with both "visitor" and "CG&E" hardhats. He related that he often escorted some of the consultants to various work areas and introduced them as individuals on site to assist in the project. BRINKMAN stated he could not recall any instances wherein he introduced or otherwise represented consultants or any other individuals as employees of Bechtel. When apprised of the allegation to this effect (page 10 and Attachments 16 and 17 pertain), BRINKMAN allowed the slight possibility that at some time he may have shared the "joke of the day" by introducing or otherwise indicating that some individuals were from Bechtel and they were "taking over the project." He reiterated that this is purely conjecture on his part since he cannot recall an instance in which this occurred. BRINKMAN noted that rumors were rampant regarding the possibility of Bechtel being contracted to assume responsibility for construction from Kaiser during the summer and fall 1982 time period.

INTERVIEWS OF NRC RESIDENT INSPECTOR PERSONNEL

During the course of this investigation, the NRC resident inspectors assigned at the ZNPS were contacted on several occasions by NRC Investigators Walker, Frost and Gilbert. In these various personal and telephonic interviews, Senior Resident Inspector W. Fred CHRISTIANSON and Resident Inspectors T. Pat GWYNN and Edward H. NIGHTINGALE expressed their lack of knowledge of any Bechtel personnel at the project prior to November 1982, and denied awareness of rumors to this effect prior to the receipt of the allegations from GAP. In this regard, none had observed Bechtel markings on any suits, briefcases, hardhats or other items.

On January 20, 1983, after reading the affidavit submitted by GAP (Attachment 1 pertains), CHRISTIANSON adamantly denied standing beside Bechtel representatives on site in August or September 1982 as alleged. Further, on February 8, 1983, after being apprised of additional details provided by the alleged to the NRC investigators (Attachments 14 and 15 pertain), CHRISTIANSON continued to deny that the incident occurred. He allowed that it was not uncommon for him to observe various activities in the area of the containment building; however, he could recall no instances in which individuals attired in business suits were present.

INTERVIEWS OF ADDITIONAL CG&E EMPLOYEES

The following personnel, currently employed by CG&E at the ZNPS, were interviewed between January 24 and 26, 1983; either individually on site by NRC Investigators Walker and Frost or telephonically by Investigator Walker as indicated:

Fred LAUTENSLAGER, Security Supervisor since August 1978 (in person)  
David LLOYD, Quality Assurance Vault Supervisor since November 9, 1981  
and employed by CG&E since 1973 (in person)  
Mike SHANNON, employed by NES as a Task VII document reviewer for CG&E  
since December 20, 1981 (in person)  
Dale STRINGER, employed by Gilbert Commonwealth in the Task I Quality  
Confirmation Program for CG&E since October 1981 (in person)  
Donald R. WELCH, Supervisor of Safety and Security since 1979 (in person)  
Dale HOLLENBECK, Confirmation Task Coordinator with Task VI since April 1981  
(telephonically)  
Mike KOPP, Electrical Inspector (telephonically)  
Charles SPINKS, Level III Lead Electrical Inspector since April 1981  
(telephonically)

All interviewees reported the existence of pervasive and continuing rumors between approximately July 1 and November 5, 1982 regarding the presence and/or anticipated arrival of Bechtel personnel on site. However, no individuals contacted had personal observations or other specific details to corroborate the rumors. Additionally, SHANNON and STRINGER, who have occupied trailer #152 since its installation on site, adamantly denied that any Bechtel employees have ever used or entered trailer #152. Except as reported, no interviewees were able to furnish any information pertinent to this investigation.



INTERVIEW OF FORMER CG&E EMPLOYEE

On January 24, 1983.

\_\_\_\_\_ formerly employed by CG&E as a \_\_\_\_\_

\_\_\_\_\_ at the ZNPS, from \_\_\_\_\_

was telephonically interviewed by NRC Investigator Frost. He advised that prior to his termination on \_\_\_\_\_ he had no knowledge or suspicion of any individuals employed by Bechtel being present at the ZNPS site. In this respect, he explained that he had not observed any individuals wearing business suits bearing the Bechtel logo and he did not see the Bechtel logo on hardhats, notebooks or briefcases.

INTERVIEWS OF ADDITIONAL HENRY J. KAISER EMPLOYEES

The following individuals, currently employed by Kaiser at the ZNPS, were interviewed separately on site between January 24 and 26, 1983 by NRC Investigators Walker and Frost:

Wayne BIEHLE, Head Electrical Document Reviewer

Barbara BLACKWOOD, secretary for the training coordinator for 15 months

Vicky GEBHART, secretary for the training coordinator for 13 months

Walter HEDZIK, Quality Assurance Manager

Thomas ROYSTER, Lead Civil Structural Quality Engineer in document  
verification

All interviewees were aware of persistent and continuing rumors concerning the presence and/or expected arrival of Bechtel representatives on site between approximately July 1 and November 5, 1982. However, no one had personal observations or specific information to substantiate the rumors. Further, BLACKWOOD and GEBHART, who worked immediately adjacent to trailer #152, denied any knowledge of Bechtel personnel utilizing trailer #152 at any time. Except as indicated, no interviewees were able to provide any information pertinent to this investigation.

INTERVIEWS OF CG&E CONSULTANT FIRM PERSONNEL

Upon receipt of the original allegations from GAP on January 20, 1983 (Attachment 1 pertains), preliminary inquiries were initiated by NRC resident inspectors at the ZNPS. These inquiries disclosed that representatives from four consultant firms, contracted by CG&E, were regularly on site during the August to November 1982 time period. Reportedly, the total number of consultant employees on site varied between approximately nine and thirteen during this period. This raised the possibility of the consultants being mistakenly identified as Bechtel personnel. Accordingly, NRC Investigator Frost telephonically contacted the following officials from the four firms between January 28 and February 2, 1983:

James CONNERS, President, Science Management Corporation, 2101 L Street, N. W.  
Washington, D. C. 20037

William O'DONNELL, Manager, O'Donnell and Associates, 241 Curry Hollow Road,  
Pittsburgh, Pennsylvania 15236

John STIEFFEL, Manager, Stieffel and Associates, 185 Country Ridge Road, Scarsdale, New York 10583

Roger REEDY, Manager, Reedy, Herbert, Gibbons and Associates, 236 North Santa Cruz Avenue, Los Gatos, California 95030

These individuals explained that their consulting firms had been retained by CG&E to variously provide assistance in establishing a design verification program, conducting a management audit and identifying American Society of Mechanical Engineers (ASME) code work problems; and their reports had been or will be provided solely to CG&E. The interviews confirmed that a few consultants from each of the four firms had been on site between August 3 and November, 1982. Further, Reedy, Herbert, Gibbons and Associates is still performing work at the project, and the other three firms were terminated on

November 5, 1982. The officials advised that they and other members of their firms generally wore business suits on site and used rental vehicles for transportation. None of them were aware of anyone driving a Datsun 280 Z. All denied using trailer #152 for any reason. All individuals emphatically denied that they or their firms had any connection or contact with Bechtel during their contracts with CG&E at the ZNPS. None of the individuals interviewed were aware of any Bechtel representatives at the site between August and November 1982. REEDY volunteered that four of his associates had formerly worked for Bechtel. He identified them as Paul HERBERT, William GIBBONS, Robert MONROE and Ronald MONTGOMERY. He disclosed that HERBERT carried an old briefcase containing the Bechtel logo to a meeting held at the ZNPS on August 18, 1982. REEDY recalled that GIBBONS and NRC Inspector Kavin WARD, who was also a former Bechtel employee, were at the meeting. He continued that since all three individuals had previously worked for Bechtel, the Corporation had been mentioned by name in a "joking manner." Therefore, REEDY suggested that someone observing the Bechtel logo and/or hearing a portion of the conversation may have mistakenly assumed the three individuals were presently working for Bechtel.

The following additional consultants employed by Reedy, Herbert, Gibbons and Associates were interviewed at the ZNPS on February 1, 1983, by NRC Investigators Walker and Frost: R. E. MONROE, Ralph S. HILL, III, Ronald C. MONTGOMERY and Peder T. MARTINO. None had been on the ZNPS site prior to November 9, 1982, and they were unable to provide any pertinent information.

INTERVIEW OF KAVIN WARD

Kavin WARD, NRC Reactor Inspector, RIII, was interviewed in his office on February 9, 1983, by NRC Investigator Frost. He was queried regarding his recollection of a meeting at the ZNPS between him, Paul HERBERT and William GIBBONS on or about August 18, 1982 (page 32 pertains). WARD related that to the best of his knowledge he was at a meeting in a ZNPS construction trailer with J. VANNIER, NDE, CG&E, on August 17, 1982, when he observed HERBERT and GIBBONS who are consultants with Reedy, Herbert, Gibbons and Associates. He volunteered that both individuals are acquaintances of his since the three of them had previously worked for Bechtel, and HERBERT had been his (WARD's) former supervisor. WARD recalled that he had a brief informal conversation with HERBERT and GIBBONS, and he allowed that Bechtel may have been mentioned (specifics not recalled). Additionally, he acknowledged that other individuals passing through the trailer may have overheard portions of their general conversation. WARD remarked that he could not recall observing Bechtel logos on anyone's briefcase, suitcoat or hardhat. He continued that on August 18, 1982, he attended a meeting in the NRC on-site office with Harlan SAGER, CG&E Quality Assurance Manager, R. TAYLOR, CG&E Quality Engineer, VANNIER, HERBERT, GIBBONS and possibly W. F. CHRISTIANSON, NRC Senior Resident Inspector. WARD recalled commenting that HERBERT was his former supervisor, although he did not believe Bechtel was specifically mentioned during the meeting. He could not recall any Bechtel logos being displayed at this meeting.



INTERVIEWS OF CG&E OFFICIALS

Earl A. BORGMANN, Senior Vice President of Energy Services and Electric Production for CG&E, was interviewed in his office at 139 East 4th Street, Cincinnati, Ohio, by NRC Investigators Walker and Frost on January 31, 1983. He stated that the initial contact between CG&E and Bechtel occurred telephonically on November 2, 1983; that no personnel from Bechtel were at the ZNPS prior to November 5, 1982; and that the Bechtel task force arrived on site to initiate the management review on November 15, 1982.

On February 4, 1983, BORGMANN was recontacted telephonically by Investigators Walker and Frost and afforded an opportunity to provide amplifying information to clarify CG&E's official response to the NRC regarding all contact and/or communication between CG&E and Bechtel (Attachments 12 and 13 pertain). BORGMANN explained that Bechtel was one of three organizations being considered by CG&E to perform an assessment of CG&E's management of the ZNPS. Therefore, on November 2, 1982, CG&E contacted Bechtel by telephone to request a commercial presentation, and on November 5, 1982 a morning meeting was held off site between CG&E and Bechtel wherein Bechtel presented its initial proposed program. BORGMANN advised that in addition to himself, CG&E was represented at the meeting by W. H. DICKHONER and Ralph SYLVIA, and attendees from Bechtel were H. W. WAHL, W. G. HENRY and John MOROWSKI. He continued that when the meeting concluded, the Bechtel representatives were asked whether they had ever visited the ZNPS construction site. Further, when it was determined that they had not, SYLVIA, at the request of DICKHONER, brought the three Bechtel representatives on a brief tour of the facility prior to their departing the area.

INVESTIGATOR'S NOTE: As previously reported, this on-site visit was documented in logs reviewed by Investigators Walker and Frost (Attachment 18 pertains). However, it was not included in the list entitled "Site Visits by Bechtel Personnel" (Attachment 13 pertains) which was submitted by CG&E to the NRC on January 3, 1983.

BORGMANN remarked that the November 5, 1982 site visit by the three Bechtel representatives was discussed between him (BORGMANN) and DICKHONER when the letter from the NRC was received which requested the dates that Bechtel had representatives on site (Attachment 8 pertains). He continued that DICKHONER expressed his opinion that the NRC was not concerned with the site visit of November 5, 1982 since it was simply a continuation of the off-site meeting, and the NRC was only interested in the first (and subsequent) site visits by the Bechtel evaluation team. Therefore, according to BORGMANN, the CG&E response to the NRC (Attachment 13 pertains) did not include the November 5, 1982 visit, and the November 15, 1982 date was listed as the initial site visit by Bechtel.

INVESTIGATOR'S NOTE: CG&E Attorney, Jerome A. VENNEMANN, and Director, Office of Investigations, RIII, Eugene Pawlik, were in attendance in the respective offices during this telephone conference call.

William H. DICKHONER, President and Chief Executive Officer for CG&E, was interviewed in his office at 139 East 4th Street, Cincinnati, by NRC Investigators Walker and Frost on January 31, 1983. He stated that the initial contact by CG&E with Bechtel occurred by telephone on November 2, 1982. Additionally, DICKHONER declared that any statement indicating Bechtel representatives were at the ZNPS site prior to November 15, 1982 (which is the date reported to the NRC by CG&E) is an "absolute falsehood."

On February 4, 1983, DICKHONER was telephonically recontacted by Investigators Walker and Frost and afforded an opportunity to furnish clarifying information concerning his previous (January 31, 1983) assertions to the NRC investigators and CG&E's official response to the NRC, dated January 3, 1983 (Attachment 13 pertains), wherein the first on-site visit by Bechtel personnel was reported to be November 15, 1982. DICKHONER advised that on November 2, 1982, three firms, including Bechtel, were telephonically requested by CG&E to furnish a commercial presentation to CG&E to enable CG&E to make a determination as to which organization was best qualified to assess CG&E's management of the ZNPS project. He continued that on November 5, 1982, Bechtel made its presentation to CG&E at the downtown Cincinnati offices of CG&E. Further, he related that at the end of the meeting three Bechtel representatives were given a brief tour of the ZNPS site by CG&E official, Ralph SYLVIA.

INVESTIGATOR'S NOTE: As previously reported, this on-site visit was documented in logs examined by Investigators Walker and Frost (Attachment 18 pertains). However, it was not listed in CG&E's submittal to the NRC of Bechtel site visits (Attachment 13 pertains), nor was it mentioned by DICKHONER during his previous interview by the NRC investigators.

DICKHONER commented that he considered this brief site tour a continuation of Bechtel's earlier off-site presentation. Further, he remarked that in his opinion the arrival of the Bechtel assessment team at the ZNPS on November 15, 1982 was the first on-site presence of Bechtel in an official capacity to perform the function for which it had been retained. He concluded by explaining that in view of these factors, a decision was made by CG&E to list the November 15, 1982 date as the first on-site visit by Bechtel personnel in the official CG&E response (Attachment 13 pertains) to the NRC request. Similarly, he offered this rationale as an explanation for his failure to mention the November 5, 1982 on-site visit by Bechtel when he was previously interviewed by the NRC investigators.

INVESTIGATOR'S NOTE: CG&E Attorney, Jerome VENNEMANN, and Director, Office of Investigations, RIII, Eugene Pawlik, were in attendance in the respective offices during this telephone conference call.

INTERVIEWS OF BECHTEL OFFICIALS

Howard W. WAHL, Vice President and General Manager, Ann Arbor Power Division (AAPD), Bechtel Power Corporation, was interviewed in his office at 777 East Eisenhower Parkway, Ann Arbor, Michigan, by NRC Investigators Walker and Frost on February 7, 1983. He stated that the initial contact between CG&E and Bechtel occurred on November 2, 1982 when a CG&E official (NFI) telephoned a Bechtel official (NFI) at the San Francisco corporate offices. WAHL pointed out that he was present in the San Francisco offices when this telephone call was received. He stated that as a result of this call, he traveled to Cincinnati, Ohio, on November 5, 1982 to participate in a commercial presentation made by Bechtel to the CG&E. He continued that William G. HENRY and John MOROWSKI also represented Bechtel at this presentation. WAHL related that on the afternoon of November 5, 1982, Ralph SYLVIA, a CG&E official, gave HENRY, MOROWSKI and him (WAHL) a brief tour of the ZNPS prior to their going to the airport. He declared that this visit was the first occasion that any Bechtel personnel had been at the site. WAHL advised that on Saturday, November 6, 1982, Bechtel commenced work on a proposal described as a "management assessment on a short run basis." He added that a long range assessment was to be completed at a later date. He stated that following a weekend of work, the preliminary proposal was completed and presented to CG&E on November 8, 1982. WAHL reported that the Bechtel assessment team was subsequently scheduled for its first site appearance on November 15, 1982. He denied that Bechtel had any contact, financial association or other arrangement with any of the various consulting firms which were engaged in projects at the ZNPS. In this regard, he denied that Bechtel had received any reports or oral briefings concerning the findings made by these consultants. WAHL was queried regarding the alleged observations of various Bechtel insignia at the ZNPS prior to November 5, 1982. He responded that to his knowledge, Bechtel employees did not have sport coats or blazers containing the Bechtel logo, and the only jackets he had seen with a Bechtel designation on the back were those issued to softball teams sponsored by Bechtel. He could furnish no additional information.

William G. HENRY, Vice President and Deputy General Manager, AAPD, Bechtel Power Corporation, was interviewed in his office at 777 East Eisenhower Parkway, Ann Arbor by NRC Investigators Walker and Frost on February 7, 1983.



HENRY stated that during a conversation with Howard W. WAHL, Vice President and General Manager, AAPD, on November 3, 1982, he was apprised of a recent (date unknown) telephone request from CG&E to Bechtel soliciting assistance in having a review conducted of CG&E's management of the ZNPS project. He noted that this was his first awareness of any communication between CG&E and Bechtel and, to his knowledge, the telephone call was the initial contact between the two organizations. He continued that as a result of this request, he, WAHL and John MOROWSKI, Vice President, Bechtel, San Francisco, traveled to Cincinnati on November 5, 1982 for a meeting with CG&E officials at CG&E's corporate offices, 139 East 4th Street, Cincinnati. He advised that William DICKHONER and Earl A. BORGMANN represented CG&E at the meeting. HENRY recalled the meeting lasted until approximately noon and, following lunch, Ralph SYLVIA, a CG&E officer, escorted the three Bechtel officials on a tour of the ZNPS. He explained that they toured the facility for approximately 45 minutes and spent the remainder of the time on site with SYLVIA in his office. He continued that they then returned to the airport at approximately 4:30 P.M. for their return flights to their respective offices. HENRY reported that Bechtel commenced working on a proposal for CG&E on November 6, 1982 and completed the proposal on November 7, 1982. He described the proposal as a "qualification type of proposal" and a "general approach to the problem." HENRY volunteered that he, WAHL and John TROMMERHAUSER delivered the proposal to CG&E in Cincinnati on November 8, 1982. He related that the Bechtel review team was subsequently scheduled for its first on-site visit on November 15, 1982. HENRY added that he personally was on site again between November 16 and 19, 1982. He declared that he was unaware of any Bechtel contact or affiliation with any consulting firms at the ZNPS prior to November 1982. Further, he denied that any Bechtel personnel were at the ZNPS prior to November 5, 1982. He was unable to provide additional pertinent information.

On February 10, 1983, Harry O. REINSCH, President, Bechtel Power Corporation, was interviewed in his office at 50 Beale Street, San Francisco, California, by NRC Investigator Eugene J. Power. He furnished substantially the following information concerning all contacts between Bechtel and CG&E: The first contact between representatives of Bechtel and CG&E occurred in early November 1982 (exact date unrecalled). On this occasion, William H. DICKHONER, President, CG&E, telephoned the Bechtel San Francisco Office and requested to



speak with him (REINSCH). Since he (REINSCH) was out of the country at the time, DICKHONER conversed with John MOROWSKI, Vice President, Bechtel, on the possibility of Bechtel assisting CG&E in the ZNPS project. A few days later, MOROWSKI traveled to Cincinnati, Ohio, where he met with Howard WAHL, Vice President and General Manager, Ann Arbor Power Division (AAPD), Bechtel. Subsequently, on a Friday (exact date unrecalled), MOROWSKI and WAHL had an initial off-site meeting with DICKHONER and other CG&E representatives in which they discussed the project. REINSCH related that Bechtel personnel also discussed and prepared preliminary paperwork regarding the ZNPS project off site on the weekend immediately following the Friday meeting. REINSCH could not recall the date of the initial on-site visit by Bechtel representatives; however, he stated it was subsequent to the telephone call from DICKHONER in early November, reported supra. He advised that he conversed with DICKHONER on the telephone sometime in December 1982 during which he (REINSCH) thanked DICKHONER for his confidence in Bechtel. REINSCH reiterated that to his knowledge there were no personal or telephonic contacts between the two organizations prior to the November 1982 telephone call. He noted that Bechtel had submitted an unsuccessful bid on the ZNPS project several years previously, but there had been no subsequent contact. In respect to the alleged rumors of Bechtel being involved with the ZNPS project, REINSCH conjectured that former Bechtel personnel currently employed at the ZNPS are being erroneously identified as present Bechtel employees. He added that he had no personal knowledge of any specific former Bechtel personnel who are presently employed at the project.

INVESTIGATOR'S NOTE: Although REINSCH offered to have his staff determine the actual dates of the initial telephone call and subsequent meetings, his offer was declined since this information had been substantiated by records and other interviews.

On February 10, 1983, John V. MOROWSKI, Vice President, Bechtel Power Corporation, was interviewed in his office at 50 Beale Street, San Francisco by NRC Investigator Power. He provided substantially the following details regarding all contacts between Bechtel and CG&E: To his knowledge, Bechtel was initially contacted by a representative of CG&E on November 2, 1982. On that date, William DICKHONER, President, CG&E, telephonically contacted the Bechtel

Headquarters in San Francisco and requested to speak with Harry REINSCH, President, Bechtel. He continued that since REINSCH was absent on that date, DICKHONER was referred to and conversed with him (MOROWSKI). MOROWSKI disclosed that the general topic of conversation concerned the possibility of Bechtel conducting a management study at the ZNPS. He advised that as a result of this request, he consulted with other members of the Bechtel staff, and he also subsequently briefed REINSCH on the potential project (date unrecalled). MOROWSKI stated that he subsequently traveled to Cincinnati, Ohio, where he met with Howard WAHL, Vice President and General Manager, Ann Arbor Power Division (AAPD), Bechtel, and William HENRY, Vice President and Assistant General Manager, AAPD, Bechtel, on Friday, November 5, 1982. He continued that at approximately 9:00 A.M. on November 5, 1982, he and the two other Bechtel representatives attended a meeting with DICKHONER and Earl BORGMANN, Vice President, CG&E, at the CG&E corporate offices, 4th and Main Streets, Cincinnati. He noted that Ralph SYLVIA, another CG&E corporate officer, joined the meeting later in the morning. MOROWSKI recalled that the meeting lasted until approximately 11:30 A.M. when it was mutually agreed that a tour of the ZNPS site would be beneficial to the Bechtel officials. Therefore, he (MOROWSKI), WAHL and HENRY traveled to the ZNPS with SYLVIA as their escort. He related they had lunch enroute and arrived on site at approximately 1:00 P.M. on November 5, 1982. MOROWSKI related that SYLVIA gave them a tour of certain areas of the facility followed by a general discussion. MOROWSKI advised that he departed the site about 3:30 P.M. and WAHL and HENRY left shortly thereafter. He stated that to his knowledge this was the first visit at the ZNPS by any Bechtel representatives. MOROWSKI informed that subsequently, Bechtel commenced its initial management audit of the project with George JONES assigned as the Bechtel Project Manager. He pointed out that since he (MOROWSKI) had no further direct involvement in the project, he was not aware of the date the Bechtel evaluation team initially reported on site. MOROWSKI declared that he could offer no explanation for rumors that Bechtel representatives were allegedly on site and/or had contact with CG&E prior to November 2, 1982.

### ADDITIONAL INVESTIGATIVE EFFORTS

On January 24, 25, 26 and 31 and February 1, 1983, NRC Investigators Walker and Frost effected liaison with police departments, real estate firms, car rental agencies and motels in the Cincinnati and Moscow, Ohio, areas in an attempt to surface indications of Bechtel personnel being in the local area between July and November 1982.

Police officials were aware of no incidents in which Bechtel employees were implicated or otherwise identified. Additionally, traffic records in the vicinity of the ZNPS were negative regarding a Datsun 280 Z with a California registration or other vehicles bearing California license plates (Attachments 14 and 15 pertain).

Real estate personnel denied knowledge of Bechtel representatives evidencing an interest in property or purchasing homes in the local area during the period in question.

Representatives of major car rental agencies reviewed files which contained no rental agreements with Bechtel during the time period involved.

A search of local motel registrations produced the record of one individual who signified Bechtel as his employer on the motel registration form.

Specifically, the registration reflects/

arrived on September 25 and departed on September 26, 1982. The registration form is appended as Attachment 21.

INVESTIGATOR'S NOTE: As reported infra, [redacted] was subsequently contacted. He explained he had been seeking personal employment in the local area; however, he had not been at the ZNPS project (page 43 pertains). This denial was verified through a review of ZNPS log entries.

There were no other instances of a Bechtel affiliation in the motel registrations made available. Further, there were no Datsun 280 Zs identified on the motel registrations examined.

Telephonic contact with the U.S. Attorney's Office, Cincinnati, Ohio, on January 20, 1983, established that no information had previously surfaced to indicate the presence of Bechtel employees at the ZNPS prior to November 1982 during the ongoing Federal Bureau of Investigation (FBI) investigation of unrelated issues at the facility. However, the U.S. Attorney's office was in receipt of the recent allegations from GAP concerning this matter.

RESOLUTION OF MOTEL RECORDS CONTAINING A BECHTEL REGISTRATION

As reported supra, an examination of local motel records revealed [redacted] registered as a Bechtel employee on September 25, 1982 and departed on September 26, 1982 (Attachment 21 pertains). Accordingly, [redacted] was located and telephonically interviewed by NRC Investigator Frost on February 2, 1983. He stated he is presently employed as a [redacted] by Bechtel in [redacted] explained that on September 25 and 26, 1982 he had been in Cincinnati, Ohio, on personal business seeking employment as a [redacted] and he had registered at a Ramada Inn. He related that during this trip he performed no work for Bechtel and he did not represent Bechtel in any capacity. Additionally, [redacted] noted that Bechtel had no knowledge of his job hunting activities in the Cincinnati area. He remarked that he had no contact with CG&E, Kaiser or any other organization at the ZNPS and he did not visit the ZNPS site during his two days in the area.

An examination of Visitor Logs at the ZNPS by NRC Investigators Walker and Frost disclosed no indication of [redacted] being at the site on September 25 or 26, 1982, and there were no log entries containing his name between July 1 and November 15, 1982.



LIAISON WITH REGION III

During the course of this investigation, various members of the NRC RIII staff were regularly apprised of all developments by NRC Investigators Gilbert, Sinclair, Walker or Frost. Additionally, on February 2, 1983, the Regional Administrator was briefed by Investigators Walker and Frost.

STATUS OF INVESTIGATION

Extensive investigative efforts developed no information to support the allegations. Accordingly, in the absence of additional logical leads, this investigation is closed.

ATTACHMENTS

1. Letter from GAP with affidavit/01-20-83
2. Memorandum for the RIII files/11-24-82
3. Bechtel letter without enclosures/11-23-82
4. List of Bechtel Independent Review Team  
(Appendix B-1 to Attachment 3)/11-23-82
5. Bechtel Demonstration of Independence  
(Appendix D-1 to Attachment 3)/11-23-82
6. CG&E letter without enclosure/11-26-82
7. Applicants' Answer to Show Cause Order/12-07-82
8. RIII letter with attachment/12-28-82
9. Bechtel letter/12-29-82
10. CG&E letter without enclosures/01-03-83
11. Bechtel letter of transmittal without enclosures/  
11-08-82
12. CG&E list of off site meetings between CG&E  
and Bechtel/undated
13. CG&E list of on site visits by Bechtel/undated
14. Handwritten statement of 01-22-83
15. Typed copy of statement of 01-22-83
16. Handwritten statement of 01-23-83
17. Typed copy of statement of 01-23-83
18. ZNPS NPD Security Gate Visitor Log/11-05-82
19. ZNPS "Main" Gate Visitor Log/11-15-82
20. Kaiser documents regarding trailer #152/various dates
21. Motel registration form/09-25/26-82



AFFIDANT

MY NAME IS

I AM SUBMITTING THIS

AFFIDANT TO MR. THOMAS DEVINE, WHO HAS IDENTIFIED HIMSELF

TO ME AS THE LEGAL DIRECTOR OF THE GOVERNMENT ACCOUNTABILITY

PROJECT OF THE INSTITUTE FOR POLICY STUDIES. I HAVE

INSTRUCTED MR. DEVINE TO SHARE THIS STATEMENT WITH THE

FEDERAL BUREAU OF INVESTIGATION AND MR. JOHN SHELBAIR

OF THE NUCLEAR REGULATORY COMMISSION (NRC) OFFICE OF

INVESTIGATIONS, BUT NOT TO RELEASE IT OTHERWISE WITHOUT

FIRST DELETING MY NAME <sup>WGL</sup> AND ANY IDENTIFYING

CHARACTERISTICS. THIS STATEMENT EVIDENCES MY PERSONAL

KNOWLEDGE THAT THE BECHTEL CORPORATION HAD REPRESENT-

TATIVES ON-SITE AT THE ZIMMER NUCLEAR POWER

<sup>CONTINUOUSLY 7-16-82</sup>  
STATION FROM AUGUST 1, 1982 UNTIL I WAS LAID OFF

FROM MY JOB.

Jan 17, 1983

William J. Kunda



-2-  
I WORKED AT ZIMMER FROM

1-16-82

UNTIL

AS A

WHEN I WAS LAID OFF

THE BECHTEL CORPORATION ARRIVED AT ZIMMER ON  
AUGUST 1, 1982. I KNOW BECAUSE I SAW THEM ON-SITE.

THEIR REPRESENTATIVES WERE CG&E HARDHATS, BUT THEY  
CARRIED BRIEFCASES AND WORE SUITS EMBROIDERED WITH THE  
BECHTEL LOGO. THEY WERE PARKED IN THE NORTH PARKING  
LOT AND I HAVE BEEN INFORMED BY OTHERS ON-SITE THAT  
THEY CAME IN THROUGH THE NORTH GATE, RATHER THAN THE  
MAIN GATE. THE FIRST DAY I ALSO OBSERVED THAT THEY

Jan 17, 1983  
William J. Ford

HAD VISITORS PASSES, ALTHOUGH I DID NOT SEE THE  
PASSES SUBSEQUENTLY. THE BECHTEL REPRESENTATIVES STOOD OUT  
TO ME BECAUSE THERE WERE ONLY THREE GROUPS NORMALLY ON-SITE  
-- CINCINNATI GAS AND ELECTRIC, KAISER AND CATALYTIC.

I SAW SIX BECHTEL REPRESENTATIVES INITIALLY.  
THE CORPORATION DID NOT LEAVE THE SITE WHILE I WAS  
AT ZIMMER. THE NUMBER OF PEOPLE ON THE BECHTEL TEAM  
INCREASED TO ~~SIX~~<sup>EIGHT 1-16-83</sup> AND LATER TWELVE DURING MY TIME  
AT ZIMMER. AROUND AUGUST 15 A DOUBLE ~~WIDE~~<sup>WIDE 1-16-83</sup> TRAILOR --  
TWO TRAILORS CINED UP SIDE BY SIDE -- WAS INSTALLED ON-SITE

I HAVE IDENTIFIED TO MR. DEVINE ON AN AERIAL PHOTO OF  
THE PLANT WHERE THE DOUBLE ~~WIDE~~<sup>WIDE 1-16-83</sup> TRAILOR WAS LOCATED

ALTHOUGH THE TRAILOR DID NOT HAVE THE BECHTEL LOGO, ~~1-16-83~~

Stamp:   
1-17-83  
Jan 17, 1983  
William J. Lind

I SAW MEMBERS OF THE BECHTEL TEAM ENTERING IT  
AND LEAVING. FURTHER, THE TRAILOR WAS FULLY FURNISHED--  
AN OFFICE AT A CONSTRUCTION SITE STARTED FOR FURNITURE.  
UNTIL THE TRAILOR ARRIVED, THE BECHTEL TEAM WORKED OUT  
OF THE "HEAD SHED" -- THE MAIN BUILDING FOR ALL  
CONSTRUCTION MANAGERS.

SHORTLY BEFORE THE TRAILOR ARRIVED, I ASKED  
A MEMBER OF THE BECHTEL TEAM, A YOUNG MAN WHO IN MY  
OPINION WAS 25 OR 26 YEARS OLD, WHY BECHTEL HAD COME  
TO ZIMMER. HE SAID THAT THEIR JOB WAS TO STUDY THE  
PLANT FOR CODE COMPLIANCE AND ACCOUNTABILITY, TO SEE IF  
THE PLANT COULD BE COMPLETED WITHIN NORMAL QUALITY ASSURANCE  
REQUIREMENTS. HE SAID THAT BECHTEL WOULD SUBMIT THEIR

History File 11110 v.  
My Copy Number Expires June 26, 1983  
Special Agent John Doe, FBI, New York, NY

Jan 17, 1983  
William J. Ford

5-

FINDINGS IS A REPORT TO MR. EAR BORGMAN OF CODE.

THE SAME EMPLOYEE TOLD ME THAT BECHTEL HAD 200

MEN ON STAN-BY READY TO COME TO ZIMMER. I

ALSO LEARNED THAT THE BECHTEL EXECUTIVE IN CHARGE OF

CONSTRUCTION AT MIDCAND WOULD RUN THE AUDIT AT

ZIMMER. I AM NOT SURE BUT BELIEVE THE MIDCAND

EXECUTIVE'S NAME WAS MR. SODERHOLM.

MANY EMPLOYEES AT ZIMMER WERE AWARE OF

BECHTEL'S ACTIVITIES ON-SITE. CURRENTLY I WORK AT THE

76-95

THE CONVENTIONAL WISDOM THIS SUMMER WAS

76-93

THAT BECHTEL HAD COME TO REPLACE KASCH AND COMPLETE THE

RECEIVED  
FEB 20 1983  
FBI - WASHINGTON

JAN 17 1983

William J. Conrad

PROJECT, AFTER THEIR TEAM HAD FINISHED WRITING UP A  
REPORT CONCLUDING THAT THE JOB COULD BE DONE REASABLY.

I HAVE REVIEWED THE KEY POINTS OF THIS AFFIDAVIT  
WITH [REDACTED] WHO CONFIRMED  
ITS ACCURACY. THEY ARE WILLING TO DISCUSS THEIR  
KNOWLEDGE WITH THE FBI.

THE NRC SHOULD ALREADY BE AWARE OF  
BECHTEL'S PRESENCE ON SITE THIS SUMMER AT ZIMMER, IN  
[REDACTED] 1-16-83  
LATE AUGUST OR EARLY, I WATCHED AS MR. FRED CHRISTIANSON OF  
THE NUCLEAR REGULATORY COMMISSION STOOD BEHIND BECHTEL  
REPRESENTATIVES TO WITNESS WHILE A HAZOP WAS [REDACTED] 7-16-83

Notary Public, State of  
Idaho, Commission Expires May 26, 1985

Jan 17, 1983  
William J. Lind



OUT APART.

I HAVE READ THE ABOVE SEVEN PAGE STATEMENT,  
AND IT IS TRUE, ACCURATE AND COMPLETE TO THE  
BEST OF MY KNOWLEDGE AND BELIEF

Holby Affidavit  
Subscribed and sworn to before me this 17, 1983

Jan 17, 1983  
William J. Purdie