

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

INTERVIEW OF)
)
RICHARD L. BALCOM)

Nuclear Support ^{Center} ~~System~~ _{pub}
South Texas Project
Bay City, Texas
Monday, July 27, 1992

The above-entitled interview convened, pursuant to
notice, in closed session at 3:10 p.m.

ON BEHALF OF NRC:
VIRGINIA VAN CLEAVE, Investigator
Arlington, Texas

ON BEHALF OF THE WITNESS:
WILLIAM E. BAER, JR., ESQ.
Newman & Holtzinger, P.C.
1615 L Street N. W.
Washington, D. C.

Information in this record was deleted
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Act, 5 U.S.C. 552, b(7)C.
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P R O C E E D I N G S

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2 MS. VAN CLEAVE: For the record, this is an
3 interview of Richard L. Balcom, B-a-l-c-o-m, [REDACTED] 7c
4 [REDACTED], date of birth [REDACTED]
5 [REDACTED] who is employed by Houston Lighting and Power, South
6 Texas Project. The date is July 27th 1992 and the time is
7 3:10 p.m.

8 Present at this interview are myself, Virginia Van
9 Cleave, an investigator for the NRC Office of
10 Investigations, and William Baer, and attorney with Newman
11 and Holtzinger.

12 This interview is being tape recorded by court
13 reporter Tom Whiteside.

14 Mr. Balcom, if you will please stand and raise
15 your right hand.

16 Whereupon,

17 RICHARD L. BALCOM

18 was called as a witness and, having been first duly sworn,
19 was examined and testified as follows:

20 MS. VAN CLEAVE: I have a few questions here about
21 Mr Baer's presence that we'll go through first.

22 Does your employer require you to have an attorney
23 present when you talk to the NRC?

24 THE WITNESS: No. We have a policy that says I
25 have the right but no requirement.

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1 MS. VAN CLEAVE: Is Mr. Baer acting as your
2 personal representative?

3 THE WITNESS: Yes, he is.

4 MS. VAN CLEAVE: Did you select him personally or
5 did your company select him for you?

6 THE WITNESS: The company gave me the option of
7 using him and I selected to use him.

8 MS. VAN CLEAVE: Mr. Baer, who is your employer?

9 MR. BAER: Newman and Holtzinger.

10 MS. VAN CLEAVE: Are you acting as Mr. Balcom's
11 personal representative?

12 MR. BAER: Yes, I am.

13 MS. VAN CLEAVE: Does your firm represent any
14 other parties associated with South Texas Project?

15 MR. BAER: Yes.

16 MS. VAN CLEAVE: Do you personally represent any
17 other parties at that site?

18 MR. BAER: Yes.

19 MS. VAN CLEAVE: What parties would those be?

20 MR. BAER: Houston Lighting and Power Company and
21 the other individuals subpoenaed in the course of this
22 investigation.

23 MS. VAN CLEAVE: Do you in fact then represent
24 Houston Lighting and Power with respect to this interview?

25 MR. BAER: Yes, I do.

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1 MS. VAN CLEAVE: Do you believe a potential
2 conflict of interest could arise during the course of this
3 interview?

4 MR. BAER: It is always possible that a conflict
5 of interest will arise. However, I do not foresee one at
6 this time.

7 MS. VAN CLEAVE: If a potential conflict of
8 interest arises, what will you do?

9 MR. BAER: I will stop the interview and confer
10 with Mr. Balcom. We will then decide how to proceed at that
11 time.

12 MS. VAN CLEAVE: Mr. Balcom, do you understand
13 that Mr. Baer represents other parties associated with the
14 South Texas Project?

15 THE WITNESS: Yes, I do.

16 MS. VAN CLEAVE: What is your understanding of who
17 is paying Mr. Baer's fee?

18 THE WITNESS: I really don't have any
19 understanding. I assume it's the company.

20 MS. VAN CLEAVE: With the understanding that Mr.
21 Baer is representing other parties associated with the South
22 Texas Project, do you still want Mr. Baer as your
23 representative?

24 THE WITNESS: Yes, I do.

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EXAMINATION

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BY MS. VAN CLEAVE:

Q Mr. Balcom, what is your position here at the South Texas Project?

A I am currently the nuclear security department director.

Q How long have you held that position?

A Since January 16th of 1992.

Q And prior to that time, what was your position?

A I was the director of quality assurance.

Q Here at the South Texas Project?

A Here at the South Texas Project, yes.

Q How long did you have that job?

A About five years.

Q How long have you worked here at the South Texas Project?

A Just about nine years, just a hair less than nine years.

Q So what year did you --

A October 17th 1983.

Q Here onsite?


A Yes.

Q Did you work for Houston Lighting and Power prior to that time?

A No. I did not.

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1 Q Who is your supervisor currently?

2 A Warren Kinsey.

3 Q Who was your supervisor during February of '92?

4 A Warren Kinsey.

5 Q Did you have any background in security or
6 investigations before you got your current job?

7 A No, I did not.

8 Q As you know, I'm here to look into the
9 circumstances surrounding Mr. Thomas Saporito's revocation
10 of his site access, unescorted access, here at the South
11 Texas Project.

12 When did you first become aware of Mr. Saporito?

13 A The first time I became aware of Mr. Saporito
14 would have been the first time that I reviewed his file.
15 That was on February 6th of 1992

16 Q When you say his file, what file are you referring
17 to?

18 A His nuclear file and his request for unescorted
19 access.

20 Q Why did you review his file at that time?

21 A There had been as part of the unescorted access
22 process some potential negative information developed [REDACTED]
23 [REDACTED]. The person who had
24 reviewed that information had sent it over for further
25 investigation.

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1 The investigation section of the security
2 department at that time conducted that and that information
3 was then brought to me for the final disposition on granting
4 him access or how we adjudicated that information.

5 Q Could you just give me a brief overview of how
6 that worked in February of '92 regarding an adjudication or
7 a potential derogatory information that may come to
8 someone's attention?

9 A During the review of the information, if they
10 identified a potentially negative information that may not
11 meet the criteria in the interdepartmental procedure, they
12 would transfer that to the investigation section of the
13 security department who would then conduct an investigation
14 to determine the facts surrounding that information.

15 That could mean interviewing the individual, could
16 mean contacting some other references or validating the
17 information.

18 They would put together an investigation report
19 and when they had completed their investigation they would
20 then bring the information to me for the final determination
21 on how we should adjudicate that information.

22 Q When you say "they," who do you mean?

23 A The investigation section. The investigator or
24 the supervisors of the investigation section, the manager of
25 the investigation section.

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1 Q And who was that manager at that time?

2 A Watt Hinson.

3 Q So the information was brought to you back
4 approximately February 6th '92, and what did you do with the
5 information?

6 A I reviewed his file, looked at what the
7 information was, looked at what we were adjudicating it for.
8 As I said, there were some [REDACTED] problems, [REDACTED]
9 [REDACTED] He also had a termination from
10 -- that he had identified a termination from Florida Power
11 and Light for participation in an NRC investigation.

12 I reviewed the file and looked at the information,
13 and then I asked Mr. Hinson what he thought and his
14 recommendation was that he didn't see anything there that
15 would cause us to not grant Mr. Saporito access. I had come
16 to that conclusion, also, so we decided to grant his access.

17 Q So you did that?

18 A On February 6th I granted his access. What I did
19 in that case was I determined him to be suitable for access.

20 Q Was it standard practice for you to ask for a
21 recommendation from Mr. Hinson?

22 A Yes, it was. I had only been in the job since
23 January so part of what I would do is form my own conclusion
24 and then validate that conclusion because Mr. Hinson had
25 been involved for a long time and had been with the program

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1 for a long time and by getting his opinion --

2 If we had matching opinions, I felt comfortable
3 then with going on. If there was a disconnect, I would
4 usually proceed to try and figure that out or make a
5 determination that I needed to know more information.

6 Q What kind of training did you receive by HL&P or
7 independent contractors prior to or shortly after assuming
8 your position? You say you didn't have any background in
9 security.

10 A I think we need to put that into perspective. I
11 was not what I would call a security professional. I have
12 been a nuclear manager for just about as long as I worked at
13 South Texas, held supervisory positions and been involved in
14 nuclear power just about my entire working life^{and so} in the
15 commercial end of it since 1976.

16 The previous job I had was as the director of the
17 QA department, which had me very familiar with the
18 regulations and the requirements for the security program.

19 I had participated in, as well as overseen, the
20 audits of the security and access authorization program.
21 The people who worked for me were the ones who audited all
22 of the self-screenerers that we had, as well as our access
23 authorization and fitness for duty programs, so it's not
24 like I came off the street with no knowledge. I had a
25 fairly comprehensive knowledge.

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1 As being part of just a manager at HL&P and just
2 having access, you are required to have CBOP training.
3 You're required to review procedures so I was knowledgeable
4 of the procedures and the criteria for access in the
5 procedures.

6 My people had audited this program and made
7 independent determinations in the cases they had reviewed
8 and I had frequently consulted on those thing in the past.

9 If your question is was there any formal training
10 conducted, the answer is no.

11 Q But you felt comfortable, I assume, in taking your
12 position as the director of security.

13 A That's for sure. I would not have done it if I
14 wasn't comfortable with doing it.

15 Q And you felt that you had an adequate background
16 to prepare --

17 A Yes, an adequate understanding of the
18 requirements.

19 Q After Mr. Saporito's access was granted, what was
20 the next occasion that you heard his name or became aware of
21 him?

22 You're referring to a document. Is that the
23 affidavit that --

24 A That's the affidavit that I gave -- that I used in
25 that --

1 Q And that's an adequate representation of what
2 occurred?

3 A Yes, it is, which happened a lot earlier than this
4 interview. I'm not real sure the exact date but around the
5 middle of February, in the 12th to the 14th timeframe, Mr.
6 Kinsey informed us that -- by "us" it was a general staff
7 meeting type of his direct reports that I remember -- that
8 we had received a 2.206 petition, that Mr. Jump had been
9 assigned to investigate the matter.

10 In the process, and I don't recollect whether it
11 was in that meeting that Mr. Saporito's name ever came out
12 or whether I may have, because of remembering his file,
13 connected it, or whether it was during the days following
14 that where, since some of those allegations in that 2.206
15 petition were about the security department and security
16 functions that I made the connection, but at some point in
17 that timeframe I felt pretty comfortable that Mr. Saporito
18 was the 2.206 petitioner.

19 I clearly cannot remember exactly anybody telling
20 me or anything like that. It could have come out in any of
21 those different ways.

22 One of the things that Mr. Kinsey did in his
23 meeting was to identify that we wanted -- that because of
24 the nature of the 2.206 petitions, we wanted to keep the
25 ~~nature~~ ^{matter} in the pretty tight circle of people who knew so I

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1 did not make ^{it} ~~very~~ public knowledge. I only identified one
2 person in my department to work on those issues.

3 Q Who was that?

4 A Rex Moore, to investigate the security-related
5 concerns and work with licensing on that.

6 The reason I'm not sure that Mr. Saporito's name
7 came out exactly in that particular timeframe is because
8 initially we only got the little pieces of the concern on a
9 piece of paper, and our initial look at it was to focus on
10 the generic --

11 He said there was a problem with escorted access
12 so we focused generically on let's go out today and do an
13 assessment of escorted access.

14 When we could find no problems, at some point we
15 made a decision that we needed to get more specific and
16 directly focused, ~~and~~ by looking at the individual and his
17 concerns that was the only place we were able to home in on
18 it so it was sometime over that timeframe that I made the
19 tie but I'm not exactly sure which days or when.

20 Q You said that it might have been from reviewing
21 his file. How would that lead you to --

22 A His nuclear file is, to say the least, unique. He
23 listed as personal reference an NRC coordinator and Billy
24 Garde. If you've worked in the nuclear industry very long,
25 you know Billy Garde, not personally but by name, or

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1 reputation I should say.

2 He listed this issue about the Florida Power and
3 Light being involved in an NRC investigation. You just kind
4 of tie those things and it makes for a memorable thing and
5 then this occurring, it just of would lead one to think that
6 that may be the tie but that would be conjecture on my part.

7 Q Did you know that Oscar DeMiranda was a
8 allegations coordinator or just that he was an employee of
9 the NRC?

10 A I think just NRC coordinator, if I remember right.
11 I only know what's on this form.

12 Q You don't know him?

13 A No. I didn't have any other knowledge other than
14 what he put on this form which was NRC coordinator, and if I
15 look through this, and since I did --

16 Q You're reviewing the nuclear file right now, is
17 that correct?

18 A Right, this is the nuclear file, and when I looked
19 at this and went through the interviews, which that's
20 typical when I'm adjudicating anything I always look through
21 the entire file to see what I can, and I read what he said
22 that basically that he told him to stay out of trouble and
23 be honest and stay away from drugs, something like that that
24 was in here.

25 Q I missed something.

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1 A You did?

2 Q Yes, I did. Who were you referring to when you
3 said something about be honest, stay out of --

4 A The NRC investigators interview. When he was
5 contacted by the background people, there's a report on that
6 in here and I read it at the time. In reading what he said
7 about him, I thought that was unique and it just stuck.

8 Q What did he say?

9 A He stated that he had known the subject for three
10 years on a professional basis, their last contact was
11 January 15th 1992, stated the subject is very knowledgeable,
12 has a good reputation, advised the subject to be
13 trustworthy, reliable and free from drug dependency.

14 That line stuck out. It's not what you would
15 normally get from anybody in a personal reference.

16 Q Can you kind of amplify that comment?

17 A Well, typically what you would get is a statement
18 that the person is or that I know of no reason why this
19 person shouldn't be allowed access, or that his person has
20 good character.

21 The way this is written, it says source advised
22 the subject to be trustworthy, reliable and free from drug
23 dependency. That means I'm giving you advice and it's to
24 stay out of trouble and I thought that -- There are little
25 things that stick and that was one of them.

1 Q I'm not sure I agree with that interpretation,
2 but, okay.

3 A I give you that different people can read things
4 and see different things. That's what makes each of us
5 unique.

6 Q But that did stick in your mind.

7 A Yes. That particular line had stuck in my mind to
8 the fact that I thought that was unique, and especially
9 since it was an NRC coordinator.

10 Q And then that he listed Billy Garde?

11 A Billy Garde. It was a unique file, not one that
12 I've seen a lot like.

13 Q So getting back to your earlier testimony, you're
14 not certain whether or not someone actually gave you Mr.
15 Saporito's name or you put in your mind the two together and
16 thought it might be.

17 A That's correct. I just can't recall definitively
18 at any point in time that anybody said it. I remember that
19 the specific instruction was to keep the entire 2.206
20 petition close to the chest of the small group of people,
21 not widespread because there was a concern about the name
22 getting out and potential reprisals just from the plant
23 staff and people like that who would not take kindly to
24 somebody doing this, but I don't remember exactly when I
25 made the tie. It could have been anywhere through that

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1 process.

2 Q Did you receive a copy of the 2.206?

3 A No, little pieces.

4 Q That related to security?

5 A Little pieces that related to security and mostly
6 through Mr. Moore, as the person who was doing that.

7 Q Then you said you attended a meeting. Is that
8 when you got your little pieces or did you assign Mr. Moore,
9 or how did that occur?

10 A Routinely, in the morning Mr. Kinsey has a staff
11 meeting for about 15 minutes with his direct reports. My
12 recollection is that in that morning meeting is when he
13 informed the direct reports of the 2.206 petition and the
14 fact that Mr. Jump was the person that was put in charge as
15 the project manager for that and that we should support him
16 and that we needed to keep it in a pretty tight circle.

17 That same day, I believe, one of Mr. Jump's people
18 -- I think it was Wayne Harrison but I'm not going to
19 guarantee that, but I think it was -- called up to say that
20 he had been assigned by Mr. Jump to look into this and he
21 needed some help, for me to do certain things, told me what
22 he wanted to do.

23 I told him that I thought Rex was the right person
24 to do that and set up for him to meet with Rex and do that
25 and it was at that meeting with Rex that the little pieces

1 of the 2.206 petition came out.

2 Q So did you have any oversight responsibility -- I
3 guess you would have -- on what Mr. Moore was doing in
4 responding to the 2.206?

5 A Yes, ma'am.

6 Q Did he report back to you periodically and keep
7 you informed?

8 A Yeah, but not anything real specific, just in
9 general and in a daily type of passing and meeting with each
10 other, how's it going, what are you looking at. We were
11 through that process more focusing on visitor control and
12 escorted access and, you know, how are you approaching it,
13 what are you doing, that type of an affair.

14 Q So he didn't provide you then with any written
15 memos saying that his work so far was --

16 A No. It was more just straight back and forth and
17 then him reporting mainly to Wayne -- I'm sure it was Wayne
18 Harrison.

19 Q So he did report to someone in licensing in
20 addition to --

21 A That's who we provided the information to. They
22 were the project manager for pulling this together so we
23 worked with them and gave them the input, wrote up stuff,
24 the things that went into the subsequent letters and things.
25 I wasn't provided any of that other than just the typical

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1 review process.

2 Q And when was your next conversation or when did
3 you next hear about Mr. Saporito?

4 A Now the next thing I remember is on February 20th,
5 around lunch time Watt Hinson told me that Will Jump had
6 given him a document to review about Mr. Saporito and asked
7 him to review it as an independent reviewer and compare the
8 information provided in that document with the information
9 Mr. Saporito had given us for unescorted access.

10 Q Then you didn't have any dealings with anyone
11 specifically about Mr. Saporito between -- I guess that was
12 the 12th, I'm not sure of the exact date until the 20th?

13 You said you had this meeting with Mr. Kinsey and
14 you were given --

15 A I had the meeting with Mr. Kinsey where I was told
16 about the 2.206. One of the other things, and I can't pin
17 it down, that I can remember is that at one point, and I
18 think it was before I heard about the 2.206 petition, that
19 Mr. Kinsey had Mr. Saporito's file in a walk-down-the-hall
20 conversation kind of a thing but I can't really tie that
21 down to a date.

22 I was up -- As Kinsey is my boss, I frequently go
23 to him to ask him things or to do something, and I just
24 vaguely remember him having this file as we were walking
25 down the hall.

1 Q You vaguely remember him having this file. How
2 did you know it was Mr. Saporito's file?

3 A What I remember -- and it's really not clear or
4 specific -- is I remember him showing me the file. This is
5 a memorable file, as I said. I've look at a lot of these.
6 I don't remember most of them. There are tidbits you might
7 remember out of any one or another just because they are
8 unique things that stick out in your mind.

9 As an example, the one about the statement from
10 the NRC coordinator. That stuck in my mind for some reason.
11 It was unique, I thought.

12 I remember Mr. Kinsey showing it to me and asking
13 about how you would determine that this person should get
14 access, be granted access and, as I said, this was a very
15 passing conversation. It was not a sit down and discuss
16 anything. It was a passing thing and the answer is that
17 there is nothing in this file that fulfilled our criteria to
18 cause you to not grant the individual access.

19 Q Your testimony is that Mr. Kinsey asked you --
20 How did he phrase that? Did he phrase that how could an
21 individual like this ever get access to this plant, or --

22 A It was more along the lines of looking at this
23 file and saying how would you determine to give an
24 individual like this access.

25 I remember noticing the name. I took it as an

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1 informational type of a question.

2 See, the next step -- and I don't ever know where
3 they stand -- is I complete the adjudication process but I
4 don't grant access. It's the plant manager or one of his
5 designees that would actually grant access so this file had
6 to go to somebody else that Mr. Saporito worked for to grant
7 him access.

8 I just assumed that in the process somehow Kinsey
9 had gotten ahold of it and was wondering how does this merit
10 granting access, informational, and the answer is, well,
11 when you apply it to the criteria we have, there is no
12 information in here that would cause you not to grant this
13 person access.

14 Q Did he ask you specific questions about specific
15 information in the file?

16 A No, ma'am. It was very much as I said, in
17 passing, walking down the hall and I just disappeared and
18 went on my way. It was that simple.

19 Q Even though you may not grant access, would access
20 be denied -- once you're adjudicated and approved access,
21 would access be denied by an individual who has that
22 authority without contacting you?

23 A There is always the potential for that to occur.
24 My function in this was to determine the suitability by
25 dispositioning potentially negative information.

1 If there was no negative information, even though
2 I was title¹ access program director at the time, I wouldn't
3 even know the thing was in process. It would just happen.

4 After I did that, if this individual worked for
5 something^{one} else, another form had to print, that other form
6 had to go to his management who reviewed and made the final
7 determination.

8 There is a potential, for example, that an
9 individual would go through the whole process and when it
10 got up to that guy's manager, the manager would say, this
11 guy's job was done two weeks ago, he's not even here
12 anymore, we should have told you but we didn't, and it would
13 go back to somebody in the access part of the department and
14 would have never been brought to my attention.

15 Q And he would never have gotten access because a
16 lot of the time he didn't need access, is that what you're
17 saying?

18 A It's not even that clean. There is no way just to
19 not grant access. You have to revoke it. So if the process
20 is ever in place, then you've actually got to go to the
21 process of revoking their access so that would happen and I
22 may not have been part of that.

23 Q But you would revoke access but it wouldn't be the
24 result of an adjudication.

25 A That's correct. It could be -- Well, that's what

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1 you do when anybody leaves. You revoke their access under
2 favorable circumstances, you no longer have need and we're
3 taking your access back.

4 Q I understand but that's removed from the
5 adjudication process, that particular set of circumstances.

6 A Yes, and what I'm pointing out is that just
7 because I adjudicated this person as we can go ahead and
8 grant their access based on meeting the criteria, the
9 negative information I don't think falls into the criteria,
10 there is still a process and a number of days that has to be
11 gone through where they go to their management or to
12 management for review so it's very possible that that could
13 have been what was going on.

14 Like I said, I don't really tie that to a time.
15 It wasn't a monumental thing that I remember. It was just
16 an in passing I remember it happening and I didn't take it
17 as anything other than informational and went on my way.

18 Q It wasn't unusual to see Mr. Kinsey walking down
19 the hall carrying a nuclear security file?

20 A Well, I didn't run into him in the hall. I had
21 gone to his office for something, to talk to him about
22 business, and it's not unusual for Mr. Kinsey to, when you
23 leave his office, to walk with you down the hall, he's
24 heading to the rest room and you're heading to your office
25 and you talk along the way.

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1 That's what I recollect this to be, something
2 along those lines. I had gone up there for something else,
3 discussed it with him, have no idea where he was headed or
4 what he was doing. I just remember that mild conversation
5 and that's about it.

6 Q Was it common for Mr. Kinsey to have files like
7 that on his desk?

8 A Well, not laying around his desk but it would not
9 be uncommon for him to have the file.

10 Q Why would he have it?

11 A He's in the management review chain. It may have
12 been -- and this is purely speculation, you've got to
13 understand that.

14 It may have been that I gave it and said grant
15 access. The form printed out. It went to the plant
16 manager. The plant manager looked at this thing and said -
17 - scratched his head and wondered about it and said I think
18 I ought to go to talk to my boss and could have taken it up
19 for Kinsey to review in making the decision.

20 Since Warren is in that management chain, that was
21 possible that it could have happened. I have no good reason
22 to tell you why Warren had that file.

23 Q So you didn't know but you didn't think it was
24 unusual?

25 A I didn't take it as odd because he can have access

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1 to almost anything.

2 Q I understand that but just because that's the case
3 doesn't mean it might not be unusual.

4 A Like I said, I would not --

5 Q So you didn't think it was unusual. He didn't ask
6 you any specific questions about any particular item in the
7 file.

8 A No particular information in there, nothing like
9 that. It was just kind of a passing informational -- that's
10 what I took it as.

11 Q Did he mention that this individual had filed a
12 2.206?

13 A I'm pretty sure he did not, as a matter of fact,
14 because -- but I really can't tie the date down enough on
15 this particular event to tell you whether it was before or
16 after.

17 This may have happened before and then when he
18 mentioned the 2.206 I might have made the connection. I
19 really don't have enough specific dates to tell you that for
20 sure.

21 Q So Mr. Hinson came to you on the 20th of February
22 and told you that he had -- What did he tell you -- that he
23 had some information or --

24 A I think he said that it was some litigation
25 records involving Mr. Saporito that he had been asked by Mr.

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1 Jump to review.

2 Q Was that common for Mr. Jump to go directly to Mr.
3 Hinson rather than to you as Mr. Hinson's supervisor?

4 A If I were tied up, it's not unusual, yes,
5 especially if -- One of the things you have to understand is
6 that it's pretty common when the investigation section
7 existed for just about any manager --

8 When I was a manager and not working in security,
9 if I needed to know something or to have something
10 investigated, I would have just called Watt Hinson -- he was
11 the division manager -- and that would have been perfectly
12 appropriate to do, to talk to him about what he was doing
13 and ask for his help and leave it up to him to tell his
14 particular boss what he was doing or whatever.

15 Q Did Mr. Hinson show you the document he was
16 talking about?

17 A Not really, not to any substance. He may well
18 have had it in his hand and said he gave me this litigation
19 record. I didn't read it or take it from him or anything
20 like that so there wasn't any of my going through it or
21 anything like that.

22 Q Did he mention Mr. Saporito by name?

23 A Yes. I remember that.

24 Q Had you already reviewed the document when he was
25 telling you --

1 A No, this was about the time that he had gotten it
2 and was telling me what Will had asked him to do.

3 Q And if you would tell me again what that was.

4 A He basically said that he had been asked to review
5 it in comparison with the information that Mr. Saporito
6 provided us for unescorted access.

7 Q And was he informing you just because you were his
8 supervisor or did he ask you for any direction at that time?

9 A Just to make sure that I didn't have any
10 objections to him doing it. It was mainly just what I call
11 courtesy, management courtesy, to let me know what he's
12 doing and that type of an affair.

13 Q Did he tell you specifically what the litigation
14 was?

15 A I honestly don't remember whether he did at the
16 time or not. I just remember that he had it. It was a
17 litigation record that he said he had been asked to review
18 and compare it to what we had been given.

19 Q And what did you tell Mr. Hinson?

20 A Okay.

21 Q So he went off to do that, is that correct?

22 A In amongst the other things that he was doing that
23 day, he said he could get it done, yes.

24 Q Did you have any discussion with Mr. Hinson
25 regarding your knowledge of Mr. Saporito?

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1 A No.

2 Q Did you discuss the fact that Mr. Saporito was a
3 2.206 petitioner?

4 A No. As a matter of fact, I had tried to keep him
5 and his access job separate from the investigation because
6 of the closed circle so I only discussed that with Rex as to
7 you're doing the 2.206. If I discussed who the 2.206
8 petitioner was or who I thought it was with anybody, it
9 would have been with Rex and nobody else.

10 Q Do you remember whether or not you did mention
11 that to Mr. Moore?

12 A I don't know whether -- Well, I doubt if I told
13 Mr. Moore that I thought Saporito might be the guy. I would
14 guess that probably if anything Mr. Moore told me as part of
15 doing his investigation when we got to the part where we
16 needed to focus on the events surrounding the 2.206
17 petition.

18 The only way you can track those things is not by
19 dates but to get pretty specific by who was named in the
20 petition and that type of an affair.

21 Q So by that time, you think both you and Mr. Moore
22 knew that Mr. Saporito was the 2.206 petitioner?

23 A I believe that to be the case but there again the
24 timing -- I can't tell you exactly when it became just
25 obvious to me that that was the case.

1 Q Did you have any discussion with Mr. Hinson about
2 your previous review of Mr. Saporito's file, about the
3 unusual things you had noted in the file?

4 A Not after the date that we reviewed the file to
5 get -- During the process on the 6th of granting him
6 access, that was part of the -- look at this stuff and what
7 about this and what do you think about this kind of a deal.

8 Q What about the 20th?

9 A On the 20th?

10 Q On the ^{20th} ~~22nd~~ of February.

11 A On the 20th we didn't have any discussion about
12 previous actions.

13 Q So Watt just had the file and he was going off to
14 review the -- I guess it was the DOL decision.

15 A Yes, I think that when he told me, he didn't even
16 have the file yet. He had to go get the file because he had
17 just gotten the litigation record and was telling me that he
18 had been asked to review this and this is what he was going
19 to be doing and then he had to go off and get it and I had a
20 fairly busy schedule that afternoon so I went off to do my
21 stuff.

22 Q So you did not review -- I think you said you did
23 not review the DOL decision.

24 A No, I did not. That's correct.

25 Q Had either you or Watt or anyone from security

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1 asked Mr. Saporito for any additional information, any
2 additional background information, prior to February 20th,
3 like in connection with the earlier adjudication or any
4 events that may have transpired between the two
5 adjudications?

6 A I don't believe so but let me look. What I'm
7 looking for is on the 6th when they adjudicated the
8 information, my memory says that they did not interview him
9 in that process, that they just dispositioned the
10 information based on what they had found and the results of
11 the background investigation.

12 I don't think they had asked him for any
13 additional information before the 20th because they hadn't
14 had anything that wasn't like a credit report or I think
15 there was an arrest on the FBI think that he had identified
16 but it was discharged or something like that. I don't think
17 there was anything that they had to ask him for any
18 additional information on.

19 Q Had Mr. Jump discussed this DOL decision with you
20 prior to his giving it to Mr. Hinson?

21 A No, ma'am.

22 Q Was that the first time you became aware of a DOL
23 decision regarding Mr. Saporito, when Mr. Hinson showed that
24 to you?

25 A I believe so but there is always the possibility

1 that I may have heard from somebody that there was something
2 surrounding Mr. Saporito, but nothing that I remember.

3 I do not believe that Mr. Jump or anybody told me
4 about or showed me that decision prior to giving it to Watt.
5 I'm pretty sure that Watt was the first I heard about it.

6 Q Does Mr. Saporito's application reflect his filing
7 a complaint with DOL?

8 A No, it does not. He lists -- it says list any
9 litigation, legal dispute or claim. That's where it should
10 have been and it says "none."

11 Q Is it anywhere else on the application? I think
12 he mentions Florida -- What does he say in connection with
13 FLorida Power and Light?

14 A Another question is have you ever been discharged
15 or asked to resign by a previous employer, if so list
16 employer and the circumstances. He lists Florida Power and
17 Light Company, 12/22/88, terminated because of my
18 participation in an NRC investigation of Turkey Point.

19 Q But he doesn't say anything about the -- about
20 filing with the DOL?

21 A No. Then the other one was there's an affidavit
22 that they fill out when they come here that asks the same
23 kind of questions and again he lists that his employment
24 with Florida Power and Light, Turkey Point plant, terminated
25 as a direct result of my participation in NRC

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1 investigation of the Turkey Point nuclear plant, but he
2 doesn't say anything about litigation.

3 On the screening affidavit, it talks about are you
4 currently charged with, under indictment or pending trial in
5 any matter and he said no. There is nothing in any of these
6 that would indicate that.

7 Q So to the best of your recollection, that was the
8 first you had heard of it?

9 A That's correct.

10 Q Were you present when Mr. Jump gave Mr. Hinson the
11 DOL decision?

12 A No.

13 Q Did Mr. Hinson provide you with the results of his
14 comparison, his review?

15 A Later on that day, I was tied up in meetings with
16 my door closed, and my secretary knocked on the door and
17 said that Mr. Jump was on the phone and needed to talk to
18 me.

19 Will said that Watt was with him, that Watt had
20 been trying to get with me to go over the results of his
21 review and I was tied up and Will asked me if I could come
22 up to his office so we could do that and I agreed. I was
23 just about at the end of the meeting I was in.

24 I went up to Will's office on the fifth floor and
25 Mr. Hinson provided me the results of his review.

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1 Q So Mr. Hinson had already gone to Mr. Jump's
2 office and I suppose he had already briefed him.

3 A They had discussed it before I got there, that's
4 correct.

5 Q You got there and what did Mr. Hinson tell you?

6 A In essence, Mr. Hinson told me that there did
7 appear to be some omissions on Mr. Saporito's data form,
8 that the litigation that he had reviewed had identified that
9 he had been terminated from another employer during the same
10 timeframe roughly that he was employed by Florida Power and
11 Light, and that it did not appear that Mr. Saporito had put
12 that information on his form.

13 Q Did he tell you anything else?

14 A That was about the extent of it, about the extent
15 of I believe what he had identified from the litigation
16 review. That was one employer.

17 Q Was this a verbal briefing to you?

18 A Yes.

19 Q Did he provide you anything in writing at that
20 time?

21 A No. What we did at that point was I asked him
22 again, I said, well, when you get something that somebody
23 forgot, what's our normal practice for handling it. Usually
24 we call them in and ask them about why did you forget to
25 write this down or see if we can just interview them about

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1 the process, and I directed him to attempt to get ahold of
2 Mr. Saporito and do that.

3 Q Was anybody else present, or just you, Mr. Hinson
4 and Mr. Jump?

5 A At this point, that was it.

6 Q So you asked Mr. Hinson, since he -- How long had
7 he been in investigations? Just approximately.

8 A Well, from the time that he came to work for us,
9 and I don't remember exactly when that was but it had been
10 probably two-plus years that I had been dealing with him.

11 I mean I give you an answer that says that's just
12 who I thought of when I thought of investigations. He had
13 been doing that job since they hired him and he was an
14 investigator before that and that had been what he had been
15 doing with the company and I had dealt with him quite a bit
16 before. I honestly don't remember his employment date but
17 it was at least a couple of years, I'm sure.

18 Q So since he had been doing investigations for over
19 two years, you asked him what his usual process would be
20 when --

21 A Right, and that's more the checks and balances
22 that I go through because I had only been in the job for a
23 little over a month at this particular time and I had an
24 awful lot to assimilate.

25 To me that is pretty obvious and we had done other

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1 ones to the point where I pretty well knew that, but to make
2 sure that I didn't make any mistakes in handling this I just
3 referred back to what's the normal process for how we would
4 disposition this type of information, bring the guy in and
5 ask him about it.

6 Q So you told Mr. Hinson that you needed to
7 interview Mr. Saporito?

8 A And find out what we could about this one that he
9 didn't list, was there a reason that he may have forgotten
10 to put it down.

11 Q Did you tell Mr. Hinson when you wanted Mr.
12 Saporito interviewed?

13 A As soon as possible because I was going to be out
14 of town the next day. I was going to Arlington for a
15 meeting with the NRC.

16 Since I needed to make the decision and since I
17 was quite aware of Mr. Saporito potential at least for being
18 the 2.206 petitioner, or I knew flat out that he was -- I
19 honestly don't remember which -- I was real concerned that,
20 number one, we not mess this up, that it be done straight,
21 by the book and we follow every step of the way.

22 Q Did Mr. Jump have any input into the decision to
23 interview Mr. Saporito?

24 A The decision to interview him? I wouldn't say
25 that, no.

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1 Q Did he ask you to interview him?

2 A No, I don't believe so. The best that I can
3 recall from what Will Jump would have said was that we need
4 to make sure that we follow our normal course of how we do
5 business in this process, and I can't tell you a hundred
6 percent that he even said that.

7 Q At this point, did Watt know that Mr. Saporito was
8 the 2.206 petitioner?

9 A Not to my knowledge, ~~he~~ he did not. We had done an
10 awful lot to keep that from him.

11 Q Was any reference made by Mr. Jump in your
12 presence that might indicate that he was the 2.206
13 petitioner -- that Mr. Saporito was the 2.206 petitioner?

14 A I don't believe so.

15 Q Had you asked Watt where Mr. Jump got that
16 document?


17 A No.

18 Q Was there any conversation during either your
19 earlier discussion with Mr. Hinson or your current meeting
20 with the three of you as to where this DOL decision had
21 turned up?

22 A No. To the best of my recollection, it was
23 something that Will and said that he was concerned, there
24 was a disconnect -- I knew that he had looked at Saporito's
25 file.

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1 Q He said he had gotten it from Mr. Jump, right?

2 A No. I'm talking ^{about} ~~to~~ Will Jump, that he had it and I
3 know that he had looked at this file.

4 Q How do you know he had looked at the file?

5 A Because if he's a 2.206 petitioner, I'm sure that
6 this file moved around a lot and what he said when Watt gave
7 it to him was that he wanted him to look at this to see if
8 there was a disconnect with the data form.

9 I guess I can say that I'm supposing that that
10 means that he had seen the data form. I don't remember ever
11 seeing Will with the file in his hand before that date, but
12 it wouldn't have surprised me.

13 Q Did he ever tell you -- Did he mention to you that
14 he had reviewed Mr. Saporito's file?

15 A Will did not but Will talked to Watt. He really
16 didn't talk to me to get this done. I didn't talk to Will
17 until the end of it, until this meeting that we're talking
18 about right now, and in that --

19 No, I don't remember him identifying to me where
20 he got the document from, why he was interested. All I
21 remember him saying is Watt has reviewed this file and has
22 reviewed this litigation and identified this discrepancy on
23 the data form, and now what do we do.

24 Q He said that or Mr. Hinson said that?

25 A That's what Mr. Hinson said. Watt was the one who

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1 told me what Will had said.

2 Q I mean did Mr. Jump tell you that Watt has
3 reviewed the file and this is what he's found, or did Mr.
4 Hinson tell --

5 A Mr. Hinson briefed me on what he had found, that's
6 correct. I really don't have a lot of recollection of Will
7 saying a whole lot in that first meeting at all.

8 Q Do you have any specifics on which you base your
9 supposition that Mr. Jump had reviewed Mr. Saporito file?

10 A The fact that when Watt came and asked me to
11 review the litigation file, he said that Will -- Will and
12 Watt, no wonder I can't keep it straight.

13 When Watt told me about reviewing it, he said that
14 Will had brought it to him and asked him to look and compare
15 the information in this to what was on the data form.

16 Q Which gave you the impression --

17 A Which at least gave me the impression that he had
18 reviewed it.

19 Q But you don't know that for a fact.

20 A That's correct.

21 Q I mean he may have and you believe --

22 A I think that's supposition on my part, just one of
23 those things that you kind of accept as obvious and go on
24 and didn't think much about it.

25 Q So is this your decision that Mr. Saporito ought

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1 to be interviewed as the next step?

2 A Yes, and that would be routinely my call.

3 Q Did Mr. Jump make any recommendations as to how he
4 believed you should proceed?

5 A It's hard to keep the times exactly straight on
6 this day. The only other -- After I made the decision and
7 directed Mr. Hinson to interview him, at some point during
8 the subsequent times, Will did mention, well, what are you
9 going to do with his access if.

10 Q If what?

11 A If the results of this interview validate this,
12 because it's going to take me some time to make a decision
13 should we maintain his access or not, and that's the only
14 thing I can remember from our discussion of Will's input
15 into that process at all.

16 Q Was this during the same meeting with Mr. Hinson,
17 or was this later?

18 A That's the one that I told -- I can't definitively
19 in my mind separate at what time that occurred. I'm just
20 not sure.

21 Q What did you tell him when he said that?

22 A What I recollect saying is that that makes a lot
23 of sense, that if there is a concern here that we may --
24 that if we turn up information, we may need to make a
25 decision to suspend his access while we make the final

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1 decision, while it's reviewed and we come to the final
2 conclusion.

3 Q Is that usual?

4 A Our normal personnel policies are that if there is
5 anything questionable, you suspend their access while you
6 finish the investigation and then you either reinstate it or
7 you revoke it depending on the outcome of it, but if they
8 are questionable the norm is to not let them have access to
9 the plant.

10 Q So did you take any action to see that that was
11 done?

12 A I asked Mr. Hinson to do that based on how the
13 interview went. That's what I remember.

14 Q Run that by me again. You asked Mr. Hinson to do
15 what based on what the interview --

16 A That if the interview led to information that he
17 felt was potentially negative, that I would have to
18 adjudicate and then take some time to resolve, that he
19 notify the security force to place the badge on hold.

20 That's really kind of muddled. I mean I don't
21 want to let you think I have a clear recollection because I
22 don't. That was just like in business, yeah, we need to
23 think of that.

24 My big concern with this individual was because of
25 his potential that we do everything right by the book, one

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1 step after the other because right, wrong or indifferent the
2 liabilities are pretty large here so you don't want to make
3 mistakes.

4 Q Mr. Isereau did a report on this issue and his
5 report states that you told Mr. Hinson to suspend Mr.
6 Saporito's access at the conclusion of the interview, quote.

7 What does that mean? Is there something missing
8 there?

9 A Well, that all depends on how you hear it. My
10 recollection is that I said -- and my recollection is fuzzy
11 -- the potential exists, and since Isereau's investigation
12 was a while back, the potential exists that I said after the
13 interview put his badge on ^{hold} ~~whole~~ until I adjudicate it or
14 until I make my disposition and then we'll fix it, or I
15 might have said make a judgment call.

16 If Bill says -- If in Bill's report it says that
17 that's what I told him, that's probably a better
18 recollection than I have today.

19 Q Well, he's written a report based on what --

20 A That's what I ^{mean} ~~mean~~. ^{ps}

21 Q I mean it could also be a little different than
22 what you actually said. That's why I want some
23 clarification. I don't know what that means.

24 Did you tell Mr. Hinson to suspend Mr. Saporito's
25 access at the conclusion of the interview, no matter what,

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1 which is the implication here, or did you tell him, as you
2 say, use his judgment and if the situation warrants
3 suspension to --

4 A My recollection, and it's very fuzzy, is that I
5 told him to see what you find out and then take the action.

6 It is very possible, though, that I said at the
7 end of the interview put his badge on hold until I make the
8 decision, if I make the decision tonight, and I'm going to
9 stick around if you get ahold of him until this is all done
10 -- number one, my normal schedule is run out till 6:00
11 o'clock anyway so I'm going to be here, I can put his badge
12 back in the rack and have it back in service so that he
13 would never even know that it happened, so there's a high
14 potential I could have said that, too.

15 I really don't know today to tell you other than I
16 also don't think there's a lot of difference from my
17 perspective of what I would have meant or what it would have
18 been.

19 The difference to me would be that if I would have
20 said do it, I would have caused the security force to have
21 to do some work and undo it, versus decide what the
22 probability of having to do that.

23 The normal practice is people under investigation
24 we suspend their access until the investigation is over and
25 then reinstate it. Sometimes that's a day. Sometimes it's

1 three days. Sometimes it's longer.

2 Q If that was your normal practice, then why did Mr.
3 Jump feel he had to ask you about that?

4 A The only thing I could think of at this point
5 would have been to say that just, hey, think about this,
6 because there was a lot going on and a lot of discussions
7 and my mind was more concerned with getting him interviewed
8 and doing that so it would have just been a, hey, don't
9 forget about this.

10 The other side is whether -- that's why my
11 recollection is see what you find out because it depends on
12 the nature of the negative information.

13 Let me give you a routine example. The most
14 common omissions on these things are arrests. People don't
15 remember all the arrests.

16 You have a person who works here now, has had
17 access and the FBI report finally comes back. In that pops
18 up an arrest that wasn't listed.

19 Well, the first thing on your mind is call the
20 person in to interview them. The person is now 38 years old
21 and 20 years ago they were arrested for possession of a
22 controlled substance.

23 A lot of times you will ask them about that and
24 they will have a very plausible reason about it was a long
25 time ago, I was only 18, my lawyer told me it wouldn't show

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1 up on the record if I did and those type of things, and they
2 are very believable.

3 You get something like that, a lot of times you
4 won't go to the trouble of putting their badge on hold while
5 they bring me the file and say, yeah, that's okay, and we
6 may continue access and then take the badge off hold.

7 So knowing that that was going on, that may have
8 been why Will said you need to think about this. That's why
9 I think I may have told Watt you need to evaluate the
10 information.

11 The one omission didn't seem ^{too} major at this
12 particular point. It was that we've got ^{to go} disposition it and ^{it} ^{is}
13 we know it, you can't ignore it, you've got to talk to him
14 and you've got to go through the process of putting it to
15 bed.

16 Q Did Watt contact you after he scheduled an
17 interview time with Mr. Saporito and let you know that he
18 was going to interview him that day?

19 A No. I told him to try and get ahold of him and
20 interview him that day. When he didn't contact me, I
21 assumed that to mean that he had succeeded because if he had
22 not been able to get ahold of him, then I would have
23 expected him to call me to tell me that he couldn't do that.

24 I left Mr. Jump's office that afternoon and
25 proceeded to another meeting and from there to another

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1 meeting.

2 Q You could work for the NRC with that many
3 meetings.

4 A Well, that's exactly right.

5 Q Did you have any additional discussion with Mr.
6 Jump after Mr. Hinson left his office?

7 A Not that I remember. I was in kind of a hurry to
8 get out and get to the next meeting so I don't remember
9 anything else.

10 Q Other than Mr. Jump mentioning --

11 A That was before Watt left because whatever
12 direction I gave, whether it was use your judgment or do it,
13 it was given before he went off to get ahold of him and it
14 was kind of rushed because this was getting close to
15 quitting time and my goal was to get this caught and get it
16 over with before I left.

17 Q Again, Mr. Isereau's report says you telephoned
18 Mr. Hinson after Watt left Jump's office.

19 A I don't remember that. My recollection today is
20 that Watt left to go attempt to set up the interview and I
21 left to go down to the next meeting room to go to a
22 management meeting I was going to in 5350.

23 Q So you believe that you told Watt in person?

24 A I think so.

25 Q And you don't recall any discussions with Mr. Jump

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1 after Watt left, like don't forget this guy is a 2.206
2 petitioner, let's be careful, any kind of discussion like
3 that?

4 A Not that I recall.

5 Q Did Mr. Jump give you any further information
6 about where he got the DOL decision?

7 A I don't believe so.

8 Q Or any specific instructions about what he wanted
9 you to do, if anything?

10 A No. As I said, the only real recollection I have,
11 and I don't remember specifics about that, is that if Will
12 provided anything it was make sure you follow your own
13 procedure. He knows more than I do about what's going on.

14 Q You mean in regard to --

15 A About the fact that -- If anybody knows who the
16 2.206 petitioner is, it's got to be Will because he's the
17 project manager.

18 Q So you told Mr. Hinson -- we don't know exactly
19 what -- something to the effect that you either suspend Mr.
20 Saporito's access or possibly take that action depending on
21 what you find.

22 A Right.

23 Q Did you originally intend or not intend to make an
24 immediate decision that day?

25 A My intention was that I wanted to get it done that

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1 day because I was not going to be here tomorrow. I don't
2 think that that would have been my intention had I known I
3 was going to come to work the next morning. I probably
4 would have let it go and my decision in the morning,
5 reviewed it in the morning.

6 Because I knew I was flying out of town and would
7 be gone for Friday and then the weekend, I didn't want it to
8 sit that long. I considered it pretty sensitive because of
9 the individual involved so therefore I wanted to get it done
10 that night if at all possible.

11 Q So Mr. Saporito end up being interviewed after his
12 normal working hours.

13 A Yes, because it was close to the end of the day
14 and they finally got me out of my afternoon meeting.

15 Q Was that normal procedure or policy to ask someone
16 to stay after their normal working hours to be interviewed?

17 A It would not be unusual. We usually ask them at
18 our convenience, based upon what we know, if they can come
19 over if we can get ahold of their boss.

20 The other thing you have to understand is that
21 this was near 4:00 o'clock and we didn't know how long that
22 interview was going to take.

23 If you put it in its simplest form, the interview
24 should have been did you leave anything off; oh, yeah, there
25 was this other thing that I didn't write down; how come you

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1 didn't write it down; well, I just didn't think of it,
2 whatever it might be, I was in a rush or something and I
3 figured it was bounded by this; anything else; nope; that's
4 the end of the discussion.

5 That lasted for ten minutes so it may well have
6 gotten over. If he ended up interviewed after the fact, it
7 was because of the time it took him to get there and the
8 length of time the interview took more than anything else.

9 I would not say it was unusual to grab somebody at
10 the^{the} end of the day or whenever you could get them.

11 Q Was there any specific urgency associated with Mr.
12 Saporito's case?

13 A I was leaving the next day.

14 Q Besides that?

15 A That was my sense of urgency. If we didn't --
16 Given that we knew that there was a disconnect that needed
17 to be dispositioned, if I didn't disposition it that day I
18 would not have been able to do it until I got back on Monday
19 and that didn't seem --

20 Considering the issue and the circumstances, it
21 was best to get it over with and since it was before the end
22 of the day it was call and see if you can catch him and get
23 him over here and let's just put this thing to bed.

24 That was our mission and what we set out to do and
25 the main reason for that was because I was not going to be

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1 there the next day to do anything.

2 Q But if you have the authority to suspend his
3 access, what you could have done --

4 A That is true. How would you feel if you showed up
5 at the NRC and found out you couldn't get in because you
6 were under investigation and your access had been suspended
7 and we'll get around to you in a few days?

8 I wouldn't want that to happen to me. I as a
9 person wouldn't want to do that to anybody. If at all
10 possible, especially if it's going to be my fault, I would
11 just as soon get it done.

12 Assuming he had a good answer, he would have never
13 known his access was even suspended. He would have come in
14 the next morning and gone to work.

15 Q What happens if somebody's access is suspended?
16 Are they not allowed onsite or are they escorted just like
17 they were when they were a visitor or --

18 A I suspend your access and you're not allowed to
19 come into the protected area as a visitor, either.

20 When you're a visitor, I assume that you're a good
21 guy who I haven't finished the process yet. If I find
22 something potentially derogatory, then it doesn't make sense
23 to assume that you're a good guy so we would not have
24 allowed him access.

25 That actually becomes an issue with his

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1 management, not with me.

2 Q Mr. Hinson then interviewed Mr. Saporito and as I
3 understand Rick ~~Sink~~^{Cink} was also present, is that correct,
4 during the interview?

5 A I found that out when Mr. Hinson told me about the
6 results of the interview.

7 Q So this was not something that --

8 A It wasn't anything I knew. As I said, I went on
9 to my other meeting. I had one at 4:00 and when I got to
10 the 4:00 one and finished it, it lasted until a little bit
11 after 5:00, I had a meeting with the security force in the
12 auditorium to talk to them. I went down to the auditorium
13 and was talking to them when my beeper went off that Mr.
14 Jump was looking for me.

15 Not being too stupid, I figured out that that
16 meant Mr. Hinson was probably done and he had gone back up
17 there so I went up to Mr. Jump's office. That's when I
18 found Mr. Cink sitting there, which was rather strange.

19 Q Do you remember about that time that was?

20 A Sometime between 5:30 and 6:00. My rough
21 recollection is I got down to the meeting about 5:15 and I
22 talked about a half-hour so that would put it around 5:45,
23 but that's in the ballpark.

24 Q The usual policy is to interview people alone? I
25 mean it was unusual to have Mr. Cink there?

1 A The normal policy is to interview people with the
2 interviewee and the investigator, the interviewee and the
3 interviewer and the videotape, so that if I need to review,
4 I can review the videotape.

5 Q Is there a videotape of the interview with Mr.
6 Saporito?

7 A No, ma'am.

8 Q Why not?

9 A Mr. Hinson informed me when he briefed me on his
10 interview that at the very beginning of the interview Mr.
11 Saporito pointed to the camera and said is that on, and Mr.
12 Hinson informed him that, yes, it was, and he said he did
13 not want his interview videotaped so Mr. Hinson got up,
14 turned it off and erased the tape, which is standard
15 practice. We don't videotape people who don't know and who
16 don't agree to be videotaped.

17 Q So you do tell people that they are going to be
18 videotaped?

19 A Yes, ma'am. If I remember right, Mr. Hinson said
20 that Saporito had asked him why he hadn't and he said I
21 haven't gotten there, I was going through my this is what
22 we're going ^{to do} ~~and to that~~ stage -- Yes, the normal is the
23 camera was --

24 When it existed, it was in plain view in the
25 corner of the room, not at all covert or hidden, just stuck

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1 up there and we informed people that they were being
2 videotaped.

3 Q What do you mean "when it existed."

4 A The investigation section went away and the room
5 quit being used for that. I sent the camera down to
6 training to be used for training people. I don't do those
7 kind of investigations anymore.

8 Q So you were beeped by Mr. Jump.

9 A Yes.

10 Q You went to his office and there was Mr. Hinson,
11 Mr. Cink and Mr. Jump.

12 A Yes.

13 Q Was there anyone else there?

14 A No, just me.

15 Q Did Mr. Hinson then provide a briefing of what he
16 had learned from his interview of Mr. Saporito?

17 A Yes, he did.

18 Q What did he say?

19 A He in essence went over the process that he had
20 gone through. He said that he had given Mr. Saporito his
21 data form and in essence asked him if everything on this was
22 right, and asked him was there any information that he may
23 have forgotten.

24 At that particular time, I believe that he
25 identified to him that there were a couple of things he

1 wasn't sure of.

2 Following that discussion, he then proceeded to
3 say let's go over the form block-by-block and went over the
4 form block-by-block -- is this information correct,
5 questions about each one.

6 What he identified in the process was when they
7 got down to any other jobs and terminations, he identified
8 the job that was listed on the litigation record -- I
9 believe that's ATI -- plus Mr. Saporito told him about two
10 other jobs that he had been terminated from or left in an
11 unfavorable light, by his own admission, and he identified
12 litigation that he had been involved in.

13 Q Which was?

14 A I'll have to refer to this thing to remember that.
15 ATI in Miami; Doubletree Hotel in Miami; Jupiter Hotel in
16 Jupiter, Florida; general information, litigation, legal
17 dispute in claims. He identified he was a complainant in a
18 DOL litigation against Florida Power and Light and ATI which
19 is still pending appeal.

20 He stated that he filed a complaint against
21 Florida Power and Light in '89 or '90, with the Atomic
22 Safety and Licensing Board regarding their license to
23 operate the Turkey Point Nuclear Plant.

24 He stated he was involved in a divorce in 1991.
25 He said that his daughter was injured at a neighbor's house

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1 and while he did retain an attorney he was not sure if a
2 lawsuit was actually filed. However, he did indicate he
3 received a settlement.

4 He told us that while he was employed at Turkey
5 Point he began to experience chest pains, was examined by
6 three physicians who diagnosed his condition as severe
7 gastritis. He said that when he reported this to his
8 Florida Power and Light supervisor he was sent to the
9 company physician for examination.

10 MR. BAER: This isn't -- Not all of this relates
11 to litigation. This is a bunch of stuff --

12 THE WITNESS: Okay.

13 BY MS. VAN CLEAVE:

14 Q Did Mr. Hinson go through all of these items
15 during his discussion with --

16 A Step by step, right through the form, this is what
17 he said, this is what he said, he told us this, he told us
18 that, covered the entire spectrum of all the information as
19 outlined in this report that he wrote the next day.

20 Q So he related everything to you.

21 A That's correct.

22 Q And to Mr. Jump who was also present.

23 A And Mr. Cink who was sitting in the corner, quiet.

24 Q He was there during the interview also, right?

25 A Yes. Well, that was -- They had told me that,

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1 that Mr. Saporito came with Mr. Cink.

2 Q After Mr. Hinson finished briefing you and Mr.
3 Jump about the results of his interview with Mr. Saporito,
4 what was your next step?

5 A Well, there again, what I did was to evaluate the
6 information on my own, as was my normal practice. I was
7 concerned because in my opinion it was not a simple omission
8 but a whole line of omissions, most of which the information
9 was negative, so in my opinion that I had formed the
10 information provided formed a pattern of omission of
11 negative information that to me implied that it was willful.

12 He had very conveniently only forgotten to omit
13 negative stuff, stuff that would not necessarily have
14 brought him favor on his form.

15 I then reviewed with Watt and said, okay, based on
16 what you've seen, had we known all this stuff when we
17 initially reviewed this file, what would have been your
18 recommendation and he said his recommendation would have
19 been not to grant him access.

20 That ^{concluded for} ~~filed~~ ^{conclusion for} with my ~~concern~~ ^{conclusion for} that there was enough
21 negative stuff here that would have impacted our decision
22 and I determined to revoke his access based on willful
23 omissions of material information.

24 Q So you made the decision to revoke Mr. Saporito's
25 access, is that correct?

1 A That's correct.

2 Q And you made it that evening, the evening of
3 February 20th?

4 A February 20th.

5 Q You've already stated that Mr. Hinson provided you
6 with a recommendation of his belief regarding what action he
7 thought should be taken, is that correct?

8 A I think you have to clarify that one in this
9 regard. Since this was a review, the question that I asked
10 him was had we known all of this information, what would his
11 initial recommendation have been -- to grant this person
12 access or not?

13 In other words, would this additional information
14 have impacted his ability to get unescorted access had we
15 known about it all up front.

16 Q Is that a standard question that you ask if
17 someone already has access and information becomes available
18 that you did not have during the initial --

19 A It's hard for me to have a standard question
20 because I didn't do that many of these, but that was what I
21 was looking for in my particular mind.

22 I had made the determination that this information
23 was material. I was looking for a validation of that.

24 I had concluded that the pattern of negative
25 information being omitted and not in positive information -

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1 - you know, oh, I forgot to tell you I was elected man of
2 the year during one of these -- that didn't get left off.
3 It was only negative stuff.

4 I had determined that that to me implied willful
5 intent. What I was concerned with was applying the material
6 information aspect of the criteria. The criteria is willful
7 omission of material information and I was concerned that my
8 pattern of thinking matched the historical -- that's why I
9 asked that particular question.

10 Depending on what the circumstances were, I may or
11 may not have asked that particular question in another case.

12 Q So you don't consider that to be a recommendation
13 from Mr. Hinson as to what action should be followed?

14 A No. At this particular point what I asked him was
15 what would he have recommended if we had known all this
16 stuff up front. I did not ask him what we should do today.

17 Q You did not ask him that?

18 A No.

19 Q Why not?

20 A Why didn't I ask him that? Oh, the basic reason
21 was that I was interested in a different slant. I was more
22 interested in the material nature than whether this was
23 willful omissions so I focused my question towards the
24 relevancy of the information that had been omitted.

25 You've got to understand the whole process of my

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1 asking questions of Mr. Hinson was a check and balance on my
2 reasoning. It wasn't a tell me what we'll do, yeah, okay,
3 we'll do that. It was I have made up my mind, give me
4 information that validates my conclusion, am I making the
5 right calls in this case, since I've only been doing this
6 for a little while.

7 Q Did you tell him that you had made up your mind
8 before you asked that question?

9 A No. This was the routine way that -- I always ask
10 something of him along that line and the purpose of that was
11 to make up my mind, to validate what I had made up in my own
12 mind. I never told him I've decided, now you tell me what
13 you want. We never had those kind of conversations in any
14 of these discussions.

15 Q Did you ever disagree?

16 A Not often. Probably the one I remember the best
17 was one case where he brought me in an individual. The
18 individual was being adjudicated for bad credit. I looked
19 at the file, looked at the credit report, said what bad
20 credit, there's no past due balance. He said, well, there's
21 a couple of collection actions here. I looked at him and I
22 said what do you think and he said we've never denied
23 anybody access because of bad credit in this day and age.

24 There were two collection actions. I remember one
25 of them was the Ramada Inn in Nevada, 17,000 bucks. That's

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1 a hell of a hotel bill. The other one was some hokey
2 corporation but it was in New Jersey and that's what tripped
3 it. It was New Jersey and it was an odd-sounding name.

4 I said I'm not sure this one is as simple as that
5 and I'd like you to go back and investigate these two and I
6 bet you that this Ramada Inn in Nevada is a gambling debt
7 and I bet when you go look at this one in New Jersey you'll
8 find it's a casino in Atlantic City, does this guy have a
9 gambling problem we should be concerned about, you need to
10 do more investigation.

11 Those are the kind of things -- that's generally
12 how we would have dispositioned that. I needed more
13 information.

14 Q In this case, in the case of Mr. Saporito, you
15 didn't believe you needed any more information?

16 A No. I thought that he had provided us ample
17 information. Watt confirmed the fact that the information
18 would have had a material bearing on his initial access
19 request if it would have been known and I was very
20 comfortable with my decision that this pattern weaved a
21 pretty obvious willful intent.

22 Q Did Mr. Jump provide you with a recommendation
23 regarding what type of decision he thought you should make?

24 A No, ma'am.

25 Q Did you ask Mr. Jump anything -- I won't even

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1 phrase it did you ask him for a recommendation. Did you ask
2 him anything?

3 A Not before I made the decision.

4 Q But you didn't verbalize your decision so did you
5 ask him -- You said you did not verbalize your decision when
6 you asked Watt.

7 A Well, no, but once I got done with talking to
8 Watt, then I did verbalize that, okay, we need to revoke his
9 access.

10 Q Had Mr. Jump said anything between the time you
11 went into the office and listened to Mr. Hinson tell you
12 what had transpired during his interview of Mr. Saporito and
13 the time you said I think we need to revoke his access?

14 A Not that I remember.

15 Q He said nothing?

16 A My discussion and my focus was with Watt. I don't
17 remember Rick saying much of anything at all. I don't think
18 Rick said a word, sitting in the corner, and I don't
19 remember Will saying anything. It was mostly Watt telling
20 me and my dialogue with Watt.

21 Q Did Mr. Jump bring the procedures into this office
22 so that you could review them?

23 A I don't think so. I don't remember that.

24 Q Would you have felt the need to review the
25 procedures?

1 A No, ma'am. The criteria is pretty straight out on
2 this particular item.

3 Q Did you feel like you were familiar with the
4 procedures that applied in this case?

5 A Yes.

6 Q Was this your usual practice, to reach a decision
7 quickly like this? I mean to me it was quickly.

8 A My usual -- Every decision I reached was just
9 about that quick. Sitting there, reviewing the file,
10 briefed on the information.

11 The only difference that I would see with this one
12 from a routine one is that the normal practice would have
13 been that he would have typed up the report and given me the
14 file with the written report in it, but this one wasn't done
15 that way because I wasn't going to be there the next day and
16 I said we need to decide this one tonight.

17 Q If you were going to revoke or deny someone's
18 access, did you usually notify your boss who you said was
19 Mr. Kinsey?

20 A Yes.

21 Q And did you in this case?

22 A No.

23 Q Why not?

24 A One of the other things that had transpired during
25 this period was we were in the process of transferring the

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1 access authorization program out of the security department.
2 Mr. Jump had been made the project manager for that
3 transition.

4 During the discussion that followed my decision, I
5 said, okay, I've decided to revoke. Now the next step is I
6 need to review this decision with my boss. Mr. Jump then
7 basically informed me that that was one of the things that
8 was assigned to him with the job of project manager for the
9 access program transition and that if I wasn't comfortable
10 with that I could call Mr. Kinsey and verify that, at which
11 time I said, no, I'm comfortable enough with that, if you
12 say that that's what was assigned, I didn't get a big scope
13 discussion at the time, if you say that's included, it's
14 okay with me.

15 Then at that point Mr. Jump, having listened to
16 the entire conversation, concurred in the decision.

17 Q As what -- I mean what was his function in
18 concurring?

19 A As the management review of my decision. He was
20 the project manager for access transition, reviewing my
21 decision, what Mr. Kinsey would normally have done.

22 Q So you're saying Mr. Jump in effect substituted
23 for Mr. Kinsey in this case? He was giving you management
24 approval, so to speak, instead of Mr. Kinsey?

25 A Management review, yes. I would say that, that he

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1 was the person but it wasn't just in this case. It was from
2 then on. He had taken over. This happened to be the first
3 one since that assignment so it was the first one I had an
4 opportunity to be told.

5 Q It was my understanding that that program did not
6 change until March. Is that not true?

7 A The actual transition didn't take place until
8 March. There was a transitional -- I don't know how to say
9 it without confusing you.

10 The final transfer took place I believe March 27th
11 but I don't remember the exact date. It was when we
12 approved IP9.05 and did away with 7.02. That was when the
13 official transfer took place.

14 Nowhere in that process was this management review
15 process ever spelled out. Basically the process was the
16 access program director made the decision.

17 In the transition, as we were transitioning out,
18 one of the things that had been assigned to Mr. Jump to do
19 as project manager was to take over the review of the access
20 program director's decisions.

21 Now you've got to remember that they only reviewed
22 denials before the final decision was made.

23 Q Or revocations, is that right?

24 A Well, that would be a denial. Any adjudication of
25 negative information that resulted in the decision not to

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1 grant or to revoke access would have been reviewed prior to
2 it being implemented.

3 Q Is this the first one that Mr. Jump reviewed like
4 that?

5 A Yes.

6 Q Why was he present? Why did everyone convene in
7 his office for Mr. Saporito's -- for the review of Mr.
8 Saporito's case?

9 A The only answer that I can say to that is that he
10 was the management person who started this process off.
11 Watt, when he couldn't find me, had gone to tell Mr. Jump
12 the results of what he had found.

13 Actually, I think that Will called him and said
14 have you told Dick yet, no. Will wasn't there the next day,
15 either. He was with me in Arlington.

16 The only reason that I can say that it took place
17 in his office versus mine is I was on the move, he was the
18 central place where people went and he was part of this
19 because he was the person who started it so part of it was
20 answering his concerns.

21 Q Do you mean if I'm a manager here and I bring a
22 concern to you, I have the right to sit in on your decision?

23 A If you're a manager here and you bring a concern
24 to me, you most certainly have a right to the answer^{as} to how
25 we handle it.

1 Q I know the answer. I didn't ask that. I said do
2 I have the right to sit in on your discussions as to what
3 the decision is made just because I brought the concern to
4 you.

5 A We don't do stuff secretively around here. I sure
6 can't see why I would ever argue with that fact. I can't
7 see that I would ask you in a management capacity to leave
8 while we conferred or had a discussion.

9 Q Have you ever had a manager who brought
10 information to you like this present during your decision-
11 making process?

12 A Not during the very limited time that I did this.

13 Q So this is the first time to your knowledge -- I
14 understand you were only in the job --

15 A A limited time.

16 Q -- six weeks, so it was the first time, and this
17 is also the first time that Mr. Jump was present in his role
18 as project manager for the access program transition, is
19 that also correct?

20 A Yes. This was the first denial or revocation that
21 I can remember since that assignment was made.

22 Q Was Mr. Jump also present because he was the
23 project manager for the 2.206?

24 Q I didn't consider him as the project manager for
25 the 2.206. I considered Will was there for two basic

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1 reasons. One was he was the management or the executive
2 overseer of access authorization activities and he was the
3 person who had brought the initial concern, the initial
4 documents to Mr. Hinson.

5 Q So you didn't see anything unusual in Mr. Jump
6 still being present at this point?

7 A No. As a matter of fact, it made a lot of sense
8 since he had this job as project manager of this access
9 authorization that we were in the throes of transferring.
10 That was the first thing we started to work on transferring
11 when I got down there.

12 Q Was this transition or this transfer underway when
13 you took the job as director of nuclear security?

14 A It was supposed to have been. I don't know how
15 else to answer that. In my capacity as QA director, I was
16 aware of a decision that was made the end of 1991 to
17 transfer that access authorization function out of the
18 security department. I was aware that efforts were supposed
19 to be underway to make that happen.

20 When I got the job and got there, it became very
21 obvious to me that nothing had been started to make that
22 happen. That was the first thing I started to get going and
23 make happen.

24 I gave one of the supervisors specific directions
25 to meet with people, to start drafting the new procedures

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1 and to make the transfer to get it out of the security
2 department.

3 Q So Mr. Jump was present. He was notified because
4 he was present of your decision. You did not notify Mr.
5 Kinsey.

6 Was there any policy or procedure that you would
7 notify Mr. Kinsey?

8 A There was no policy or procedure, just a
9 management practice. My personal opinion is that that was
10 something that Mr. Kinsey had set up with the previous
11 management of the security department as part of his
12 managing that individual.

13 When I inherited the job, I inherited that
14 oversight and this is the routine way we do business and I
15 just accepted that. I didn't ask any other questions. It
16 was, okay, that's how we do business.

17 As I said, there hadn't been a lot of time that
18 had elapsed since the project manager assignment for this
19 transition and it was like the first one that I remember
20 that Will would have been involved in because at the
21 particular time I told -- I said, well, I've made my
22 decision, now I need to review that decision with my boss,
23 because that's the normal practice and that's when Will said
24 that, no, that's one of the things he was assigned as
25 project manager of the access thing.

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1 Q Did he specify project manager of what, or did he
2 just say I'm the project manager and therefore if you notify
3 me it's good enough.

4 A I remember that he specified but that doesn't mean
5 that I didn't just make that assumption in my mind. He may
6 have said project manager and I thought of the access
7 transition, or he may have firmly said it.

8 I can't one hundred percent tell you exactly what
9 he said. I can tell you that that is exactly what I thought
10 and how I took it.

11 Q And you felt comfortable with that, is that
12 correct?

13 A Yes.

14 Q You felt comfortable making that decision without
15 notifying Mr. Kinsey, even though that had been the practice
16 in the past.

17 A I felt comfortable that in obtaining Mr. Jump's
18 concurrence I had fulfilled the normal practice of how we
19 did business just by substituting Mr. Jump for Mr. Kinsey
20 because of his assignment as project manager to get this
21 access stuff moved.

22 Q And specifically what do you base your decision to
23 revoke Mr. Saporito's access on?

24 A The specifics?

25 Q Specifically what -- When you said in your mind

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1 I'm going to revoke his access, what did you base that
2 decision on?

3 A The fact that he had willfully omitted material
4 information from his data form in the information he
5 provided us to determine his status toward suitability for
6 unescorted access.

7 The specific information was the pattern of
8 negative material that he omitted. Everything taken
9 together -- I can't tell you that this one thing is the
10 straw that broke the camel's back.

11 I heard it as a pattern that everything that he
12 omitted tended to be negative in nature. It was all stuff
13 that didn't reflect well on him.

14 Q So if someone files a complaint with DOL, you
15 don't think that reflects well on them? That's a negative?

16 A Ma'am, I didn't say that. I think that not
17 telling us about litigation -- litigation in general.

18 People can perceive in their own mind that that
19 would be negative information. Whether it would be or not
20 is really inconsequential. It's what they think at the time
21 that they did it.

22 He left off every bit of litigation -- a divorce,
23 a potential lawsuit with a neighbor because his child was
24 hurt, the DOL thing, the Atomic Safety and Licensing Board
25 thing.

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1 Did I in my mind believe that he could have
2 considered that information as negative? Yes. Would it
3 have been negative? Those particular things, I don't
4 necessarily think that they would have been.

5 All the employment information he forgot were jobs
6 that he left under less than favorable circumstances. Do I
7 think that that is negative information? Yes. Do I believe
8 he would have thought that was negative information? Yes.

9 Q Based on what you just said then, the employment
10 omissions were the primary reason for making this decision?

11 A I think that the employment ones were very
12 material in nature. I think that the criteria was that he
13 established a pattern of leaving information that was
14 unfavorable -- Like I said, I can't come down and pin it to
15 this one or that one.

16 I think what I can safely tell you is that if he
17 would have walked into that interview room and said ~~is~~ the
18 only thing that's missing is the ATI information, given us a
19 plausible reason for why he left it off, we would not have
20 revoked his access. I don't think that that one bit of
21 information probably would have been enough to do it, but he
22 weaved a whole pattern in this interview and created this
23 whole long list of stuff that he didn't tell us.

24 He didn't tell us the first time and he didn't
25 tell us when we asked him up front did you leave anything

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1 out. It was only when we went block-by-block that he, well,
2 yeah, this and, yeah, this.

3 In my opinion, he didn't provide any real
4 substantive reason for why he didn't put that stuff down. I
5 mean he gave kind of lighthearted reasons and those are ^{in fact} Mr.
6 Hinson's report but he didn't have it clear.

7 His biggest thrust was, well, I filled out this
8 data form off of my resume, that stuff wasn't on my resume,
9 I did it rushed far away and FAXed it to you because they
10 were in a hurry to get the information.

11 The problem was when he got here a few days later,
12 one of our people sat down with him and went over that data
13 form and went over that affidavit and at that time, even
14 though he was specifically questioned like he was in the
15 interview about was there anything else, he didn't take that
16 opportunity to say this is it.

17 Even though I'm sure it was stressed to him,
18 because that's why we do that step of the process is to
19 stress to them the importance of identifying anything, and
20 he didn't.

21 He didn't again when Mr. Hinson asked him up front
22 is there anything in here. He gave us some, well, I'm not
23 sure about this address or stuff like this. It wasn't until
24 we got very specific that he gave us that information.

25 Q The usual procedure, you said that someone from

1 security goes over the forms with the individual.

2 A It was security then. It's not anymore.

3 Q Well, we're talking about then. Did they go over
4 the data form and the screening affidavit, or just the
5 screening affidavit? I had understood they just went over
6 the screening affidavit but perhaps I misunderstood.

7 A They go down the screening affidavit but that asks
8 the same questions that are on the data form in essence, and
9 it also would be reasonable for me to understand that they
10 tell them the importance of getting this stuff right and is
11 everything correct on these forms.

12 I don't think, for example, that they go block-
13 by-block over that form. I don't believe that but I believe
14 that they stress to them the importance of it and go down
15 the affidavit which verifies that that information is
16 correct and asks most of the same questions.

17 Q What specific procedures did you follow when you
18 made your decision?

19 A IP7.02Q.

20 Q Now is that the --

21 A That's the old access authorization procedure that
22 spelled out what the criteria was and what the process was
23 for obtaining or revoking unescorted access. It has
24 subsequently been replaced by ^{IP}IP9.05.

25 Q That procedure says something to the effect that

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1 willful omission of material information may be grounds for
2 denial or revocation, is that correct?

3 A That's in essence, yes.

4 Q That's fairly vague. Did security itself have any
5 additional procedures or written policies amplifying that
6 particular procedure or telling what specific acts
7 constitute grounds for --

8 A No, we didn't. There was nothing else. It was
9 that we applied those criteria literally to each case.

10 Q What is your definition of "material" in this
11 regard?

12 A As I told you before, what I looked at was I asked
13 Mr. Hinson if he thought that this information had it been
14 known to us would have affected the initial decision. That
15 makes it material to the case.

16 That to me was what I was looking for in the realm
17 of material -- information that was necessary for us to make
18 an appropriate access decision.

19 Q Again, is that primarily the employment
20 information, because you also later stated that you didn't
21 necessarily believe that the divorce or --

22 A I think if I were to tell you that he didn't
23 provide any employment information and he just told us about
24 the litigation information, I don't necessarily think that
25 that in and of itself would have been criteria for denying

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1 his access initially.

2 Had he listed that I'm in a DOL thing against
3 Florida Power and Light, I divorced my wife, that's not
4 unusual these days, I sued my neighbor, that's most
5 certainly not unusual these days, those particular things I
6 don't think would have jumped up as if this is keenly
7 material or this would have had an impact.

8 The concept of material applies to was it
9 information that we should have known in making our
10 determination, not necessarily would it have affected our
11 determination one way or the other.

12 In other words, we asked him to list all
13 litigation. He chose not to. As a matter of fact, he made
14 a blanket statement that said none -- I have never been
15 involved in any litigation. I think you know better than
16 that if you have been.

17 Was that information material? Yes. It was
18 information we asked for. We asked for it for a reason. We
19 needed to know it. Do I think it may have made the
20 determination different? Not in what he told us. Was it
21 material to this case? I think so.

22 The fact that he didn't tell us I find very
23 material to whether or not he willfully falsified that form.

24 Q Was any attempt made to verify Mr. Saporito's
25 story that he was discharged for cause or his contract

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1 wasn't renewed at ATI for what ever reason? Was any attempt
2 made by security to verify his story to Mr. Hinson?

3 A On the 20th?

4 Q That's correct.

5 A No, we believed him.

6 Q So you took your action to revoke his access based
7 on what he said, is that correct?

8 A Solely based on what he told us and the fact that
9 we couldn't see a whole lot of reason why he would all of a
10 sudden decide to lie and provide us negative information
11 about himself.

12 Q Do you ever attempt to verify somebody's story
13 like that? I mean if they tell you things like this, do you
14 ever contact employers in question or attempt to verify
15 their story or do you accept -- You're calling this
16 negative information so do you accept --

17 A I think if the person confesses, we don't go to a
18 whole lot of trouble to find out if they're telling us the
19 truth if the information would not be of a positive nature
20 to them.

21 If they provide us facts that they think provide
22 justification for what they did or what they forgot, we may
23 well go verify the facts.

24 For example, if I was reviewing you and you had an
25 arrest listed and you told me that that arrest -- that those

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1 charges were dropped, I would attempt to verify that
2 information.

3 If you told me that you were arrested, you went to
4 court and you pay a \$100 fine, I would attempt to verify
5 that the actual punishment was \$100 fine and not five years
6 in jail. I would attempt to verify that.

7 If you proceeded to tell me that you were fired
8 from these employers, I would not routinely go back and
9 verify that you were fired and assume that you really quit
10 under good terms, you were just trying to tell me something
11 else.

12 Q So it's standard procedure then, or standard
13 policy, to accept information like this, such as what Mr.
14 Saporito said.

15 A If the information makes sense and doesn't lend
16 itself to needing to be validated, we probably wouldn't
17 validate it, that's correct.

18 Q The revocation was taken relatively quickly. I
19 think it was maybe ten hours or less from the time that Mr.
20 Jump got this DOL decision and Saporito had been interviewed
21 and his access had been revoked.

22 Is that kind of action, that kind of swift action,
23 common?

24 A I think that had I not been going out of town, you
25 would have seen a longer timeframe. I think that what I

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1 probably would have done is ask Mr. Hinson to interview him,
2 I would have suspended his access, ask him to come over and
3 be interviewed and then made a determination the next day.

4 The swiftness of the action in this case lends
5 itself more to the fact that I was going to be gone and I
6 was the person that had to make the decision and it wouldn't
7 have been made and my desire not to leave his badge on hold.

8 The action to place his badge on hold, once we had
9 determined the potential for negative information and
10 discussed it with him, would have occurred just about as
11 swiftly. The only difference is I probably wouldn't have
12 stayed here that night to do it. I would have finished up
13 my discussion at 6:00 and headed for home, I'm sure. That
14 would be about the only difference I would see.

15 Q After the decision was made to revoke Mr.
16 Saporito's access, what was the next step?

17 A I made the decision and because I wasn't going to
18 be here we went and found the necessary forms and I filled
19 those out and signed those out that night before I left.

20 I instructed Mr. Hinson to take the next piece of
21 paperwork, which is a badge transaction form, to John Odom
22 to have it done.

23 The primary reason for that was I didn't want to
24 get a big circle of people involved. There are only a few
25 people who can sign that. A large percentage of those

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1 people were going to be gone the next day. Mr. Jump and Mr.
2 Kinsey and Mr. Jordan were with me in Arlington. That
3 didn't leave a whole lot of people. I wanted to keep this
4 circle pretty small.

5 I knew that Mr. Odom had been involved to some
6 extent in this so I asked him to take it to Mr. Odom and I
7 believe I called Mr. Odom and told him that I was sending
8 Watt to him with this thing so that Watt wouldn't have a
9 whole lot of questions to answer about it.

10 Q You said you knew Mr. Odom had been involved in
11 this thing. What do you mean by that?

12 A He was the other half of the access group. As
13 part of our access authorization movement, John Odom was the
14 other half that we were trying to merge and he had been
15 involved in the access authorization. He had been involved
16 in determining who could sign these forms and what we were
17 trying to do.

18 Q Was he aware of Mr. Saporito?

19 A I don't honestly know the answer to that. I think
20 probably yes but it's a think, don't know for sure.

21 Q Had you run into him anywhere with Mr. Saporito's
22 files?

23 A I don't remember for sure, only that he was the
24 other half of the access thing. I'm not sure. He is
25 another person who, because they are the other half of the

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1 access thing, he knows the access side just like I do. He's
2 involved in that process. We're kind of the front end and
3 the tail end and he's the middle.

4 Q So a number of people -- The way I understand it,
5 a number of people can sign this badge transaction form.

6 A Not a number. About nine.

7 Q Well, to me that's a number, but several people
8 can -- it's not just a handful.

9 A At this particular time, it was nine people.

10 Q So nine people could sign this.

11 A Four of them were with me in Arlington.

12 Q That left five people. Why Mr. Odom?

13 A Because he was in the access business. One of the
14 things I guess that -- I frequently picked who to go to get
15 those forms signed by people who were pretty easy to deal
16 with, didn't ask a lot of questions.

17 Odom, because he was in the access business,
18 pretty well understood the process. My routine was to take
19 those forms to either Will Jump or John Odom. Jump was
20 going to be with me so Odom was the logical choice.

21 Q So you believed that Mr. Odom had more knowledge
22 of the access program than maybe some of the other people
23 might have?

24 A Would have less questions because it was a revoke
25 access of an employee without having to go through a whole

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1 lot. I figured I could explain it to Odom faster and he
2 would understand what we went through.

3 Q And did you explain it to him that night on the
4 phone?

5 A My memory is that I called him that night and told
6 him the decision I had made and gave him a very brief why
7 and asked him to take care of it -- I told him that I told
8 Watt to bring him the form because I didn't want to get
9 asked a whole lot of questions about this one.

10 Q Why not?

11 Q Because I was under the impression that the guy
12 was the 2.206 petitioner. I can't tell you whether it was
13 conjecture or fact at that time, but I was clearly under
14 that impression.

15 I didn't want a whole lot of stuff known about it.
16 I just wanted it to happen. I didn't want to raise a lot of
17 questions. I had really worked to keep Watt out of the
18 2.206 side.

19 What would have really upset me probably is if
20 somebody had gone up and told Watt, oh, this is the 2.206
21 petitioner, why are you revoking his access.

22 Watt was never told by me that that was the case.
23 I worked as hard as I could to keep that knowledge myself.

24 Q Well, at that point the decision had been made so
25 if Mr. Hinson found out after that --

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1 A That doesn't stop normal people from asking
2 questions.

3 Q Mr. Hinson at that time, as far as you know, did
4 not know that he was the 2.206 petitioner, is that correct?

5 A That is correct.

6 Q So you called Mr. Odom at home and you told him
7 that Mr. Hinson would be contacting him. Did you have just
8 one badge transaction form or was there more than one. I
9 mean did you take action to suspend and to revoke? Do you
10 recall?

11 A We put the badge on hold. The way the procedure
12 works, you have until the next close of business day to
13 process that form and if you process a revoke you don't have
14 to do a hold one so I don't remember that there was more
15 than the one.

16 The one that I was concerned with was the one that
17 was going to revoke his access.

18 MR. BAER: You might look in the file to see what
19 there was, to clear up any doubt on that point.

20 THE WITNESS: There was one to put it on hold. It
21 was done that night and subsequently signed on the ^{21st.}~~20th.~~

22 BY MS. VAN CLEAVE:

23 Q Was that the standard policy? If you were going
24 to revoke and you had already made the decision, why do
25 that?

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1 A Well, because we obviously placed the badge on
2 hold -- Well, that is -- I guess my answer to you is, yes,
3 that is the standard practice. As dumb as it may seem, if
4 you had any idea how many of these I've signed twice at the
5 same time.

6 Under the current policy, one of the things that
7 you attempt to do is not allow people who present a
8 potential risk to have access to the plant.

9 If I were going to terminate you today for cause,
10 for example, one of the things I would do would be to call
11 the security force supervisor and place your badge on hold.

12 The security force frequently to do that fills out
13 -- they need to fill out the bottom part of this form so
14 they will write this form, even though I may be really going
15 to be a good guy and deliver the revoked one by the end of
16 the business day.

17 In this particular case, the person who did it
18 filled out the form and gave it to the computer operator to
19 put the badge on hold. It came up for signature the next
20 day. The next day was when we filled out the revoked access
21 one.

22 This is not unusual. I mean I probably sign a
23 number of these to go through this process every day. It's
24 inefficient but it's not unusual I guess would be the answer
25 I would say.

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1 Q This form then was hand-carried or delivered to
2 security on the 20th? The first one?

3 A This form was actually filled out by Pat Belcher,
4 who is a sergeant on the security force, based upon a phone
5 call saying put this badge on hold, which they did on the
6 20th. They then have 24 hours to get this form approved.

7 Their normal process is to send them to me and I
8 would go get them approved, especially when we got into the
9 limited number. Now that we're back to where I can sign
10 them, I sign tons of these --

11 This is one of my morning actions is to sit down
12 and sign any of these forms.

13 Q But your signature is not on this one so --

14 A No, no. At the time that we were doing this, nine
15 people could sign this form.

16 Q So where did this go from her?

17 A She would have sent it -- The next morning it
18 would have been sent up to my office.

19 Q And you weren't there.

20 A And I wasn't there. Mr. Hinson would have gotten
21 it and he would have taken care of getting them signed --
22 "them" being this plus any other ones there may have been -
23 - and he then filled out this one to revoke access.

24 The difference is if you look at it, this one says
25 requester and it just has his name and is dated the evening

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1 of the 20th when he probably filled it out.

2 This one was initially filled out by Patricia
3 Belcher -- as I said, she's a sergeant on the security force
4 -- dated the 20th. It looks like it was countersigned by
5 Watt the next morning, although you would have to ask him
6 that.

7 Q Well, I'm not sure that that's the case. I mean
8 it looks like -- If that's Mr. Hinson's signature, it looks
9 like that probably went in first because she signed over to
10 the side so would he have perhaps hand-carried that form to
11 her that night, or do you just not know?

12 A I just don't know. He may have. I don't know.
13 You're right. I have no idea. All I worried about was
14 getting the forms I had to sign signed.

15 Q So I think that question might be better to Mr.
16 Hinson.

17 MR. BAER: Why don't we take a break for a few
18 minutes. We've been talking for over two hours so let's go
19 off the record. It's about 5:17 p.m.

20 (Recess.)


21 MS. VAN CLEAVE: After a short break for a
22 stretch, we're back on the record. It's about 5:30 p.m.

23 BY MS. VAN CLEAVE:

24 Q Mr. Balcom, let me ask you a few general questions
25 here. We've covered some of this information but let me

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1 ask you again.

2 How familiar were you with the adjudication
3 process -- when I say "were you," when this was taking place
4 which was the end of February.

5 A I'm not sure how to answer that. I guess I was
6 quite familiar with it. I knew how the process worked. I
7 knew what the procedure required. I knew what the criteria
8 was for granting access.

9 Q How many adjudications had you been involved in at
10 that time?

11 A I have no idea of the actual number.

12 Q Can you just give me a guess?

13 A Oh, maybe a dozen but that is a guess. I mean I
14 had done some. Not an inordinate amount.

15 Q In your previous position as a QA director --
16 manager --

17 A Director, same thing.

18 Q Had you been involved in any adjudications of any
19 of your employees or anything like that? I mean did you
20 have any other knowledge that you had gathered of the
21 adjudication process before you took your current position
22 as head of security?

23 A Only the concept of how the process worked, what
24 the criteria was. I'm not sure whether you're looking for
25 more than that or what -- I'm not sure exactly what you're

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1 trying to hit on that I know so I don't have --

2 Q I was just trying to get some information from you
3 regarding your familiarity with the process in general.

4 A I understood the process, how it worked,
5 understood what the criteria was that we measured the
6 information against.

7 Q Approximately how many revocations or denials for
8 cause have you approved or signed off on?

9 A Probably two or three. Again that's a guess
10 because I don't really know.

11 Q Was Mr. Saporito the first?

12 A I don't believe so.

13 Q So you think there was at least one or two others
14 prior to his?

15 A I remember shortly after I got the job taking some
16 of them to Kinsey so I know there had to be some. I mean
17 that's how I knew that I had to do that. I had done it
18 before.

19 Q In your letter to Mr. Saporito, which was dated
20 March 4th 1992, you stated his access was withdrawn due to
21 omission of material information from the forms.

22 We've gone over what you thought was material. Is
23 there a written definition of what is material that security
24 relied on?

25 A I don't believe so.

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1 MR. BAER: It's the same one the NRC uses.

2 THE WITNESS: I accept that as an inside joke.

3 BY MS. VAN CLEAVE:

4 Q Do you consider what is determined to be material
5 to be somewhat subjective?

6 A I don't think so. As I explained to you before,
7 material to me means information required for and necessary
8 for the determination of unescorted access suitability.

9 It doesn't necessarily mean information that would
10 have made a difference in the call. It doesn't necessarily
11 mean that if you left out information that we asked for but
12 wouldn't have caused a negative result, that that wasn't
13 material.

14 I consider material to mean that it is information
15 required and needed to determine suitability.

16 Q You don't believe that's a subjective
17 determination?

18 A I don't think so. It's all on this form.

19 Q What form?

20 A The data form and the affidavit. We ask for
21 specific things as called out in the regulations. This is
22 what you must look at and the information you must have, so
23 I don't think that determination of what's material could be
24 considered subjective.

25 If we weren't required to have that information or

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1 to ask you for that information, then it most certainly
2 wouldn't be material. If we are required to ask you for
3 that information, then in my opinion it is material.

4 Q So are you saying that any information that is
5 requested on the data form or the screening affidavit is
6 material in your opinion?

7 A Yes, ma'am, or we wouldn't ask for it.

8 Q Do you consider the revocation action that you
9 took relating to Mr. Saporito consistent with actions taken
10 in some more cases?

11 A I don't think that I can give you a long-term
12 answer at STP. I have not reviewed every case. I consider
13 it consistent with the actions in those cases that I was
14 involved in.

15 Q And we don't know how many that was. You didn't
16 give me a figure on adjudications. You said you had had
17 maybe two or three revocations or denials but we --

18 A I said maybe a dozen or something.

19 Q How many of those related to omission of
20 information on the forms?

21 A I don't really know off the top of my head. As I
22 told you, most of the omissions tend to be in the criminal
23 history area.

24 Q But that's still an omission.

25 A That's correct.

1 Q So you don't know how many were linked to omission
2 of information?

3 A No. That's just not something I kept as a routine
4 bean count in my head.

5 Q You can't tell me, then, whether or not you
6 believe revocation action was consistent with actions taken
7 in similar cases?

8 A I can tell you that my opinion would be that it
9 would be consistent with previous cases because I think it
10 was the right action and I think that we've taken the right
11 action.

12 I cannot factually tell you I've done a survey and
13 based on some magic way I have of knowing everything we've
14 ever done here that it matches up totally with that.

15 Mr. Saporito was different than anything I had
16 seen before.

17 Q In what way?

18 A I have never seen a pattern of negative
19 information omitted like he did. The typical things that I
20 remember seeing before were one arrest, one I forgot type of
21 a deal, not a whole litany of things that they just didn't
22 ^{bother} both to put down.

23 Q You've not reviewed -- You've not gone back and
24 conducted any type of review of past adjudication files?

25 A No, I have not.

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1 Q Have you read the report that came out recently
2 that I think Gulf States and someone here did regarding the
3 adjudication system?

4 A The answer to that is yes, I have read it. I
5 don't remember a lot about it but I have read it.

6 Q Did you look at any of the backup material and the
7 reports?

8 A No. That's all I got, the couple of page reports
9 and I don't do that any more.

10 Q So who has that job now? Is that Mr. Jump?

11 A Yes, ma'am. He is the access program director
12 under the new process.

13 Q Who does the adjudications?

14 A His access division. He has a division headed up
15 by Mr. Hinson.

16 Q So Watt still does that.

17 A Yes, Watt's people do the investigations and that,
18 that's correct.

19 Q And they report to Mr. Jump?

20 A They report through him to Mr. Jump.

21 Q Watt reports -- Does Watt report to you any
22 longer?

23 A No, ma'am. He was part of what went away with the
24 access program.

25 Q I reviewed -- Well, I and another investigator

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1 from the NRC reviewed about 400 files, adjudication files,
2 and there were very few revocations of unescorted access and
3 of course there were some denials.

4 My review of the files indicated there was a
5 distinction between revocations and denials, so when I say
6 revocation I mean revocation of the unescorted access that
7 has previously been granted. That seemed to be the way it
8 broke down, the way I looked at it.

9 I wrote a little report on this information. Of
10 the unescorted access revocations, only two of omission of
11 information from the data forms.

12 In my review, I noticed that there were 39 cases
13 where employees had omitted information on these forms but
14 access was continued. Yes, most of these did relate to
15 arrests.

16 A Then that's just a statement of what I've observed
17 in the few that I've done, is that that tends to be where
18 most people get things wrong.

19 Q But a lot of them omitted more than just one
20 arrest. I mean some of them omitted up to -- I think
21 there's about nine arrests on this one and there's three on
22 this one, so several of these people did omit more than just
23 one arrest that happened when they were 15 and that was 30
24 years ago.

25 There are some cases where there have been

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1 employment related issues that have been omitted and access
2 has still been continued.

3 In my mind I'm trying to see how Mr. Saporito's
4 case was consistent with what I saw when I reviewed the
5 other adjudication files.

6 You've said that you didn't consider this to be a
7 subjective process but I still can't see the consistency.

8 MR. BAER: I'd like to object for the record. He
9 hasn't seen your study. He hasn't seen the data upon which
10 it's based.

11 There are million ways to slice this stuff -- by
12 the age of the facts that were omitted, by how recently in
13 time it was done, by how long the employee had been here --

14 I don't know how you sliced it up and I don't know whether
15 he can reasonably speculate on whether that's a fair sample
16 or a fair study technique.

17 BY MS. VAN CLEAVE:

18 Q Let me ask you this. Did you view -- meaning
19 security -- view arrests in a different manner than other
20 omissions? If someone omitted arrests, was that viewed
21 differently?

22 A I don't believe so, not while I was doing it, it
23 wasn't. The criteria is not the least bit subjective, in my
24 opinion. The criteria is one hundred percent spelled out.

25 Different people have the potential to draw

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1 different conclusions from facts. I don't think that that's
2 subjective.

3 Q What is it?

4 A I think that it's just different people hearing
5 different things, drawing different conclusions.

6 Subjective means no criteria, we just kind of
7 decide. That's not the case. There clearly is a criteria
8 as I told you with Mr. Saporito.

9 In applying a criteria to Mr. Saporito, there were
10 two key elements that I felt -- I guess you could say three.
11 One, did he omit something, obviously yes. The second is
12 was the information he omitted material. I told you how I
13 applied the concept of material.

14 I can't tell you whether everybody else did that
15 that did this job before me because I don't know, but I
16 think that my application of the concept of material is
17 consistent and proper for this approach.

18 The third is willful. Willful is a determination
19 you make based on your assessment of the facts. Is that
20 subjective? I don't think so.

21 I used a pretty sound criteria to determine that
22 his omission was willful -- the magnitude and the pattern
23 and the fact that it was all negative. That's not
24 subjective in my mind. That is me applying some pretty hard
25 standards so I don't think it's a subjective process. I

1 think that each one of these has to be looked at in that
2 light.

3 I am aware of files where people have neglected to
4 list arrests, more than one When you look at those, for
5 example -- and these are after Mr. Saporito because I have
6 looked at a couple after that.

7 I have an individual who nine years ago was
8 arrested in some little town in Louisiana for armed robbery.
9 No disposition. He didn't list it.

10 You call the man in and you say what's the story
11 here and the man says, oh, well, here's what happened. I
12 was asleep in the truck, officer stops, wakes us up, takes
13 us to jail because he sees a pistol in the truck, never
14 tells us anything, lets us out the next morning.

15 Was he arrested or detained? He says I didn't
16 think it was any more. They told us they were investigating
17 some robberies and once they determined we weren't involved
18 they let us go and we went on our way, I didn't even think
19 about that.

20 Until we told him, he didn't even connect what it
21 was. Is that a reasonable thing? Did he willfully not list
22 it or does he have a plausible explanation? You have to
23 apply a reasonable standard to that and ask yourself, one,
24 is the information material, yes; was it willful, doesn't
25 sound like it to me, I would guess not.

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1 You've got to do each one of those and see what it
2 comes -- It is very possible for those kind of situations to
3 exist and if they're plausible and if you verify to the
4 extent that you can -- That particular one, we were never
5 able to verify anything because we couldn't get ahold of
6 them.

7 That individual had another one or two in Houston
8 that were very similar deals. Got into a fight, took him
9 down, held him in jail overnight, released him the next
10 morning, never told him anything. We verified that with the
11 Houston Police Department that, yep, that's what happened,
12 we arrested him but we didn't charge and in the morning we
13 just let him loose so it validated his story.

14 Is that believable? Yes. He omitted stuff, more
15 than one thing, but there was no pattern of willfulness
16 there. It all made sense.

17 Mr. Saporito's didn't make sense.

18 Q Why was the access program revised or changed?

19 A Why was it moved?

20 Q Not just that but it was also changed. You have
21 new procedures in place, right, for access denial and
22 revocation and it seems to be much more specific now, so if
23 the policy or if the procedures were working back then, and
24 they look kind of general to me but that's my opinion, if
25 that was all working, why was everything moved, why were new

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1 procedures written, what was the reason for revising the
2 program?

3 A Let me give you the why it was moved because I can
4 actually answer that.

5 Q Okay.

6 A The decision to move the process was made because
7 the security department was considered by upper management -
8 - this decision was made before I got there -- to in essence
9 be over-burdened by non-physical security related things.

10 It's a big job just to try and protect the plant.
11 If you try and branch out, it ends up being a bigger job
12 which was weighing pretty heavy on the security department.

13 I'm sure you're aware of a lot of the problems the
14 security department ^{had} ~~has~~ last year before I got there. I
15 think all of that stuff probably went into that decision.

16 When I got there, it was pretty clear that
17 management's directive was focus on doing the physical
18 security of the plant and doing it right, be the guys that
19 protect the plant, get out of all this other stuff that just
20 because somewhere in it says security or access, you don't
21 do it.

22 So we made a decision to draw the line that I
23 would control access and it was somebody else's job to
24 authorize access. I didn't need to be involved in that so I
25 said this is where we'll draw the line.

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1 That's the reason that was moved and that was well
2 in place and, as I told you, I knew about that decision way
3 before the end of last year.

4 The revision of the procedures was more as part of
5 that transfer, to change responsibilities and to draw the
6 groups together from separate groups into one group for a
7 more efficient operation.

8 The actual procedure revisions I don't think
9 provided any more definitive direction or anything else.
10 Those procedure revisions that we made at the time the
11 process moved weren't made to do anything other than
12 transfer responsibilities.

13 If you were to look, for example, at Rev.0 of 9.05
14 you would see that it matched whatever the last rev was of
15 7.02 pretty darn close, that it was mainly just that.

16 Now why has anything else been done? Well, the
17 management review panel was implemented because they decided
18 that was a better way to do business than just one other
19 person. That was a management decision that I wasn't part
20 of so I really can't tell you any more than what I was told
21 when I was suckered into being part of it.

22 (Laughter)

23 Q When did that happen?

24 A That came out right around the time that we mad
25 the transition or very shortly thereafter that they

1 implemented the management review panel and it's patterned
2 after what we do in the fitness for duty area.

3 Q The provision that I saw in the procedures, I
4 believe was issued at the end of May.

5 A Well, that should have been a subsequent revision.
6 As I said, I believe that we started the transition in March
7 and that's when Rev.0 of IP9.05 should have been approved.

8 What's happened to IP9.05 after that is Mr.
9 Hinson's and Mr. Jump's doing and I don't know anything
10 about that so I really can't tell you any answers about
11 that.

12 Q So you didn't have any input on changing the
13 procedures? Did they ask your opinion, whether or not you
14 thought the procedures were adequate?

15 A I probably got to review them but that would be
16 about it.

17 Q You didn't have any input into the changes?

18 A Not really. I mean I didn't tell them that we
19 needed to change this or we needed to do that. As a matter
20 of fact, since I quite doing that, if it's not part of what
21 the management review panel does, I haven't paid a whole lot
22 of attention.

23 Q Mr. Saporito's appeal, according to a letter
24 signed by Mr. Wisenberg, says it was denied on the grounds
25 of the adverse nature of his omissions.

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1 Who wrote that letter, do you know?

2 A I honestly don't know. I know I didn't.

3 Q You did not write that letter?

4 A I did not write that letter. No, ma'am. That's
5 about the only thing I know for sure.

6 Q Did you have any input into what went into that
7 letter?

8 A No, ma'am.

9 Q Do you know where that phrase "adverse nature"
10 came into play?

11 A Obviously if I didn't write it, I wouldn't know
12 where it came from.

13 Q Did you and Mr. Wisenberg have any discussion
14 about that letter?

15 A No, we did not.

16 Q You didn't talk about whether or not you would
17 sign it or he would sign it or --

18 A Mr. Wisenberg and I didn't discuss that. The
19 original letter -- there was an original draft of that
20 letter that came and they said we think you ought to sign
21 this or we think you ought to send this, and I said I don't
22 think I'm the proper person to respond to the appeal, I
23 don't do appeals, Mr. Wisenberg does appeals, he should
24 respond to it and they said okay and Mr. Wisenberg went off
25 and did whatever.

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1 Whether Mr. Wisenberg took that first draft -- I
2 don't even remember what it said. I don't even remember
3 whether I even went to the point of reading it or whether it
4 as just, no, I'm not the right person to do this.

5 Part of the concept of the appeal process is it's
6 done by a different person. The appeal process by procedure
7 is done by the plant manager, he ought to do it.

8 Q And you did not discuss that with him?

9 A No. The only discussions I remember having with
10 Mr. Wisenberg about Mr. Saporito's appeal was telling him I
11 had Mr. Saporito's request the day after I received it.

12 Q He didn't ask you what you based your decision on
13 or have any discussions with you like that?

14 A I don't remember any discussions with Mr.
15 Wisenberg.

16 Q You said "they" brought that letter to you. Who
17 is "they?"

18 A I called "they" licensing.

19 Q Was this Mr. Jump?

20 A I'm not sure whether it was Mr. Jump or Mr.
21 Harrison. It could have been one of the attorneys. I
22 really don't remember who brought it. It was just that I
23 needed to sign this, boom, that they needed me to send this
24 letter out and I disagreed with that concept.

25 Q When they brought it to you, was it already

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1 written denying the appeal?

2 A They had a draft letter, yes, ma'am. I don't
3 remember ever reading the letter, though. I assume that
4 since the final one denied the appeal that that's what it
5 said, but I don't remember reading it.

6 Q And you don't remember who brought that to you?

7 A I'm not sure. I tie it to licensing because I
8 remember Mr. Wisenburg telling me when I told him the appeal
9 was there that I should give the letter to licensing because
10 he was going to need some help from licensing as project
11 manager.

12 Q "He" meaning --

13 A Mr. Wisenburg said that, so I then took it and
14 gave it to Wayne Harrison because Mr. Jump was on vacation
15 that week.

16 Q So even though the letter came to you, or the
17 appeal, and you gave it to Mr. Wisenburg, they still brought
18 the appeal denial letter to you -- "they" meaning licensing?

19 A Yes, and the idea was that what they said -- the
20 infamous "they" -- the idea was that he had written to me
21 requesting the appeal and therefore I should respond to him.

22 I said I thought that was inappropriate because by
23 procedure the appeals are done by the plant manager and I
24 thought that the plant manager should respond to him.

25 It does say that you send your appeal to me but

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1 the plant manager is the person that's responsible and makes
2 the appeal decision, and that's to get it separate. He
3 reviews the facts independent of me. The idea is to get
4 some level of independence.

5 Q Do you know if Mr. Wisenberg had ever reviewed the
6 facts? I mean somebody from licensing brought you a letter
7 that apparently denied the appeal. Do you know if Mr.
8 Wisenberg had even reviewed the facts at that point?

9 A No.

10 Q You don't know?

11 A No, and to me it was meaningless. If I had
12 elected to sign the letter, I might have cared about that
13 but since I didn't think it was proper, that I thought it
14 ought to go to Mr. Wisenberg, that was kind of immaterial at
15 that point.

16 Q I want to backtrack a little bit here.

17 When you made the initial decision to revoke Mr.
18 Saporito's access, you've already stated you didn't notify
19 Mr. Kinsey at that time. Did you subsequently notify him?

20 A I did not, no.

21 Q You did not talk to him or tell him that you had
22 taken this action, like the next day or --

23 A No, I did not tell him.

24 Q Would that not be standard for you to inform your
25 boss of a revocation or denial of access?

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1 A Not assuming that Mr. Jump was filling his
2 concurrence role. I don't tell my boss everything I do.

3 Q So you believe that since Mr. Jump had been
4 notified, you didn't have any necessity to notify Mr. Kinsey
5 at all, is that correct?

6 A That's true. Now the other side is that if I had
7 gotten there and that policy wasn't in place, I would not
8 have routinely told Mr. Kinsey every time I denied or
9 revoked somebody's access.

10 Q But the policy was in place at that time.

11 A I understand that, but I was just separating for
12 you the idea that because the policy was in effect, Mr. Jump
13 fulfilled that requirement. Had there not been a policy, I
14 would not have routinely gone and done that.

15 Q Did you subsequently notify anyone of your action?
16 How about Mr. Hall?

17 A No, not Mr. Hall. That would not have ever been
18 normal for me to do so I wouldn't have done that.

19 I believe after I came back the normal process
20 would be to notify Mr. Saporito's HL&P management contact
21 and that would have been the norm

22 Here it is. On February 24th after I came back
23 from my trip, Watt Hinson wrote a memo from me to Mr. Sharp
24 notifying him of the action formally. That had already been
25 done with a telephone call but this was the followup and

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1 that is the routine. That's the extent of it.

2 Q Did you ever meet Mr. Saporito?

3 A No. I was trying to run over all the times but,
4 like I said, I think if I walked by him I wouldn't know him,
5 other than from his picture in the file.

6 Q Did you ever talk to him on the telephone?

7 A No, ma'am.

8 Q Did you ever receive any correspondence besides
9 what you've already mentioned, that he sent his appeal to
10 you?

11 A I don't believe so. I believe that the appeal was
12 the only thing. I had written him the letter he had asked
13 us to and he responded with this appeal and that was
14 responded to by Mr. Wisenberg.

15 Q Did you attend any meetings or debriefings, if you
16 will, after the decision was made to revoke Mr. Saporito's
17 access at which this revocation was discussed?

18 A I don't believe so.

19 Q You haven't attended any meetings that --

20 MR. BAER: You and I have had some discussions.

21 THE WITNESS: Obviously since you've been
22 investigating this, I've had meetings with my lawyer but
23 nothing from a work-related or anything like that type of an
24 affair.

25

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1 BY MS. VAN CLEAVE:

2 Q You were not asked to debrief corporate attorneys
3 or anything after your decision was made to revoke Mr.
4 Saporito's access?

5 A Okay. If I remember right, there was a DOL 210
6 complaint. I think I met with Mr. Perez and I met with
7 Chapman Smith.

8 Q And Chapman Smith is?

9 A Is our labor lawyer. He handles the DOL 210
10 complaints. I met with him to review the information
11 surrounding this and then met with Mr. Perez and that was
12 ten minutes, probably.

13 Q So you haven't attended any meetings say with
14 management personnel of HL&P that this subject was
15 discussed, is that correct?

16 A That's correct. I have not from a work-related
17 standpoint, other than dealing with the 210 case or
18 discussing your investigation with the lawyer.

19 Q When you made the decision to remove Mr.
20 Saporito's access, you knew that he had filed a Section 210
21 complaint or -- Did you know that he had filed such a
22 complaint also at Palo Verde?

23 A I don't believe so.

24 Q Are you aware of that now?

25 A Well, I am because you just told me, but I don't

1 think I was before that.

2 Q You did not know that?

3 A I don't think so.

4 Q You don't recall having that information?

5 A No, no, and the truth is aside from trying to have
6 this interview with you, I haven't really had a whole lot of
7 discussions about Mr. Saporito with anybody.

8 Q Did you receive any instructions or orders from
9 anybody on how to respond to questions about Mr. Saporito's
10 termination or his access revocation?

11 A Other than talking with my legal counsel, no. I
12 guess it depends on how definitive you want to be. I'm sure
13 you're aware that we have a nuclear group policy that spells
14 out how we should handle dealing with investigations. It
15 provides guidelines for any investigation you're doing and
16 that obviously is there and I'm knowledgeable of it. I've
17 reviewed that many times so you could conclude that that was
18 guidelines that I had been provided and then I would have to
19 say, yeah, I've been provided that, but I've had no other
20 discussions or verbal talks or anything like that other than
21 discussions with Bill.

22 Q Did you make any notes or did you keep any records
23 on any of these meetings that you had -- I guess mostly they
24 were with Mr. Hinson.

25 A No. Only what's in this file.

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1 Q Did you ever have any other records or notes on
2 this --

3 A No, ma'am. I just routinely don't do that. I use
4 official records.

5 Q A company called NSS out of Pennsylvania sent a
6 request to South Texas asking for information on Mr.
7 Saporito's access revocation. Are you familiar with that?

8 A NSS doesn't necessarily ring a bell off the top of
9 my head. I thought I saw something in here. Only from this
10 standpoint. That's my only familiarity.

11 I am more familiar with this name, this Troy
12 Connor, and I am mainly familiar with that because he called
13 virtually everybody that he could ever find a phone number
14 for here.

15 Q Why did he do that?

16 A Attempting to get information about Mr. Saporito
17 and his access. The one that stands out in my mind is that
18 he called the badging office, where we make badges, and got
19 the clerk who worked in there and she reported to me that
20 this guy had called -- that's why the company doesn't ^{give} ~~give~~ ^{it}
21 but his name does -- that he had called and that she had
22 referred him other places. I'm not sure exactly where she
23 said.

24 Then I remember Andrew Woods calling and telling
25 me that this guy called and that he reiterated to him that

1 we had to receive a written request and a release of the
2 information from Mr. Saporito and upon receiving that he
3 would present it to his management and we would decide how
4 to respond to it.

5 Q When you say "he," do you mean --

6 A Mr. Woods.

7 Q Who was his management?

8 A At that time, I was.

9 Q Apparently no response was made to this request.

10 A Well, to be honest --

11 Q What was the decision made and why?

12 A I honestly do not remember. It implies that we
13 received this on the 3rd of March. Normally, requests for
14 information are worked through our human resource
15 department. This access type of information -- Well, we are
16 very cautious I guess about giving this out, to say the
17 least.

18 I can tell you what I vaguely remember is that we
19 probably had somebody review this, decide that it didn't
20 hold us harmless enough and made a decision not to comply.

21 Q Somebody meaning an attorney?

22 A Probably an attorney, I would guess. I sincerely
23 do not remember ever seeing this particularly.

24 Q But didn't you say Mr. Woods would take that to
25 his management and that was you?

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1 A Yes.

2 Q You don't remember him doing so?

3 A Well, his direct manager was Mr. Hinson. He might
4 have taken it to Mr. Hinson and at that time we were in the
5 process of transitioning and we may have already decided
6 that because of the events surrounding Mr. Saporito's exit
7 that there was a sincere potential 210 complainant here and,
8 based on that, worked with the human resource people.

9 They may have asked me what they should do with it
10 and I told them to go talk to the project manager about it
11 -- Mr. Jump -- and forgot about it. I just don't remember.

12 I remember this guy calling everybody. That's all
13 I remember.

14 Q Did he call you?

15 A No. Part of what really impressed me -- If he
16 would have just called Andrew Woods, it wouldn't have stuck
17 in my mind, but getting the badging clerk is really
18 reaching. How he even got there amazes me.

19 Q Do you remember receiving any instructions from
20 human resources on how to handle any requests regarding Mr.
21 Saporito?

22 A I don't remember anything special about Mr.
23 Saporito other than it's pretty standard policy for any kind
24 of this information to review it before we release it
25 because you don't want to release any negative information,

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1 especially for somebody who you potentially think has a
2 potential to file a 210 action.

3 Q So human resources would handle requests --

4 A Not for access information. That would normally
5 be done by --

6 See, one of the things -- and I don't know how to
7 get this basically -- Routine would be -- If it was a
8 routine request, for example, from Index, Mr. Woods would
9 handle this. This was a non-Index member and that was a
10 little bit unique because we don't get a lot of those.

11 I may have well told Mr. Woods when he informed me
12 he got the phone call not to release anything if he got it
13 without having it reviewed by Betty Brown and the labor
14 people because of the potential 210 that was here.

15 Q You don't recall, though. Is that what you're
16 saying?

17 A Definitely I can't tell you that. No, I don't
18 recall definitively what happened. I remember having a
19 conversation with Mr. Woods. What exactly I told him, I
20 don't remember.

21 Q But it's standard practice to release this
22 information?

23 A It depends -- how would I say that -- Index
24 utilities tend to share information. It would not be
25 unusual if all of the right requirements were met to share

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1 information with an Index utility. Mr. Woods would do that.
2 That was not a thing I had to be involved in. That was just
3 part of the process.

4 Q Not all utilities are Index members, are they?

5 A No.

6 Q Okay, go ahead.

7 A HL&P has a fairly reasonable policy about not
8 releasing information on employees, period, so the routine
9 would be if you were to call up here we would verify that
10 somebody worked here and what their position was that they
11 were here last at. We wouldn't tell you whether we fired
12 them. We wouldn't tell you whether they left under
13 favorable terms. We would just verify that, yeah, that
14 person did work here. That would be it.

15 A lot like the answer we got from Florida Power
16 and Light on Mr. Saporito. That's pretty standard these
17 days.

18 Q But in this case, where Mr. Saporito has filed or
19 signed a release of some sort and it's been FAXed here, what
20 would be standard practice if you received something like
21 that?

22 A The key to this is that somebody who understands
23 this stuff has to review this. I'm not a lawyer. I sure
24 don't understand the legal ramifications of this release.
25 That's the idea behind this so the norm would be to have it

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1 reviewed by somebody who did.

2 That to me means, from my perspective, I go to
3 human resources and have them look at it and send it to the
4 labor lawyers that need it. That's pretty well standard
5 practice.

6 Q Do you if that happened in this case?

7 A I don't honestly know.

8 Q It could have?

9 A Could have, may not have. Like I said, if Mr.
10 Woods for example took our conversation to not release
11 anything and didn't hear or remember the unless you have the
12 release reviewed part of the conversation, he may have just
13 stuck it in the file and not done anything.

14 Any number of things could have happened. I don't
15 remember ever being given this to do anything with so as a
16 result of that, I don't really know what happened to it.

17 Q That's in a central processing file, is that
18 correct?

19 A Well, this one is the investigation file. This is
20 Mr. Hinson's investigation file.

21 Q Does that imply then that that FAX somehow got
22 over to investigations?

23 A It may well have. Obviously whatever they were
24 doing, at some point they got a copy of it and I don't
25 remember seeing it in here so --

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1 It could also be -- and there's a lot of
2 conjecture in this because I just don't know so you can't
3 take what I say with a whole lot of definitiveness -- that
4 in this March timeframe if we were targeting the end of the
5 month, we had also put together what the new access
6 organization was unofficially was going to look like and it
7 was starting to form up.

8 Mr. Woods knew that he was going to be working in
9 the access group for Mr. Hinson. He may well have gone to
10 Mr. Hinson instead of me with that. That would have been
11 possible.

12 MS. VAN CLEAVE: Mr. Balcom, have I threatened you
13 in any manner or offered you any rewards in return for your
14 statement?

15 THE WITNESS: No, ma'am.

16 MS. VAN CLEAVE: Is there anything further you
17 would like to add for the record?

18 THE WITNESS: Not that I can think of.

19 MS. VAN CLEAVE: This interview is concluded.
20 It's approximately 6:15 p.m.

21 (Whereupon the matter concluded at 6:15 p.m.)
22
23
24
25

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REPORTER'S CERTIFICATE

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission

in the matter of:

NAME OF PROCEEDING: Richard Balcom

DOCKET NUMBER:

PLACE OF PROCEEDING: Bay City, Texas

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.

Ann Whiteside

Official Reporter
Ann Riley & Associates, Ltd.

I have read the foregoing transcript, made and initialed any necessary corrections, and have signed my initials at the bottom of each page. This transcript is the truth to the best of my knowledge and belief.

Some topics covered in this transcript are described in more detail in my April 2, 1992 affidavit, ~~and accompanying notes.~~ That affidavit ~~and notes were~~ ^{were} prepared shortly after the events in question when my memory was fresher. The affidavit ~~and notes were~~ provided to the NRC at or before the time this transcript was made.

Richard L. Colver

Signature

9-16-92

Date