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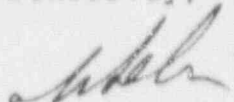
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Sincerely,



Ivan Selin

Enclosure:  
As stated



CHAIRMAN

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

February 14, 1992

The Honorable John F. Kerry  
United States Senate  
Washington, D.C. 20510

Dear Senator Kerry:

I am responding to your letter of January 29, 1992, in which you and three other members of the Massachusetts delegation sent the Commission several questions concerning letters from Senator Kennedy (February 27, 1990) and Representative Kostmayer (March 7, 1990), and the answers provided by the Commission on March 15, 1990. You referred to a report by the NRC Inspector General (IG) (enclosed), and indicated that this topic might arise at the House Interior and Insular Affairs Committee's Subcommittee on Energy and the Environment hearing on February 19, 1992.

At the outset the Commission wishes to make clear that it is crucial to our nuclear regulatory process that the Commission must be able to rely on the accuracy and completeness of the information upon which our regulatory decisions are based. We also share your expectation that any information which is conveyed to Congress by the NRC will be accurate, complete and timely. The IG and the Commission have found issues of concern in the Seabrook case; we feel that the errors found are correctable as described below. However, no one at NRC has deliberately misled, nor lied to, the Congress, the Commission or anyone else in this matter.

Senator Kennedy's letter raised issues with respect to a licensing decision which was scheduled to be made two days later, on March 1, 1990; the letter raised questions about Seabrook reaching back to the early 1980's timeframe. The Commission has recognized that safety issues about a facility may arise at any time, and that the Commission has the responsibility to address them. Following the Diablo Canyon licensing experience in 1985, the Commission established a process to address allegations, like those forwarded by Senator Kennedy, made after the licensing record is closed. These procedures, set forth in NRC Manual Chapter 0517, "MANAGEMENT OF ALLEGATIONS", instruct the staff to perform an expeditious review of the allegations to determine if there are any which because of their potential impact on safety, must be resolved before any licensing action can be taken. The staff performed this review for the Seabrook welds allegations

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Sincerely,



Ivan Selin

Enclosure:  
As stated



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

February 14, 1992

The Honorable Nicholas Mavroules  
United States House of Representatives  
Washington, D.C. 20515

Dear Congressman Mavroules:

I am responding to your letter of January 29, 1992, in which you and three other members of the Massachusetts delegation sent the Commission several questions concerning letters from Senator Kennedy (February 27, 1990) and Representative Kostmayer (March 7, 1990), and the answers provided by the Commission on March 15, 1990. You referred to a report by the NRC Inspector General (IG) (enclosed), and indicated that this topic might arise at the House Interior and Insular Affairs Committee's Subcommittee on Energy and the Environment hearing on February 19, 1992.

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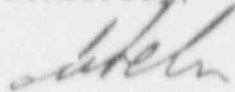
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Sincerely,



Ivan Selin

Enclosure:  
As stated



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

February 14, 1992

The Honorable Edward J. Markey  
United States House of Representatives  
Washington, D.C. 20515

Dear Congressman Markey:

I am responding to your letter of January 29, 1992, in which you and three other members of the Massachusetts delegation sent the Commission several questions concerning letters from Senator Kennedy (February 27, 1990) and Representative Kostmayer (March 7, 1990), and the answers provided by the Commission on March 15, 1990. You referred to a report by the NRC Inspector General (IG) (enclosed), and indicated that this topic might arise at the House Interior and Insular Affairs Committee's Subcommittee on Energy and the Environment hearing on February 19, 1992.

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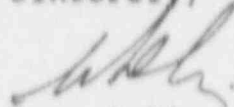
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Sincerely,



Ivan Selin

Enclosure:  
As stated

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OFFICE OF THE INSPECTOR GENERAL  
REPORT OF INVESTIGATION

CASE NO. 90-31H

REVIEW OF THE NRC STAFF'S RESPONSES TO CONGRESSIONAL  
-INQUIRIES REGARDING JOSEPH WAMPLER AND THE  
WELDING PROGRAM AT SEABROOK NUCLEAR STATION

[REDACTED]

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Executive Summary

The SEABROOK Nuclear Station was constructed under a license obtained from the Nuclear Regulatory Commission (NRC), by the Public Service Company of New Hampshire (PSNH). The Yankee Atomic Electric Company (YAEC) was charged with establishing and implementing a quality assurance program for that construction. The Pullman-Higgins Company was contracted in part to fabricate safety-related pipe welding at SEABROOK. This firm was also responsible for conducting required inspections of those welds.

Radiography was a nondestructive examination (NDE) method used to inspect the welds. Radiographs are pictures produced on a sensitive film or plate by a form of radiation. They are similar to x-ray films and portray images of the welds and the defects they may contain. The radiographs were reviewed initially for quality assessment in accordance with applicable codes, by NDE Level II examiners employed by Pullman-Higgins. Radiographs which were reviewed and accepted by Pullman-Higgins were forwarded to YAEC for acceptance and final storage.

Starting in approximately July 1982 in response to a deficiency report by YAEC, Pullman-Higgins required an NDE Level III to review all safety-related weld radiographs before submittance to YAEC. YAEC maintained that they reviewed all radiographs sent to them by Pullman-Higgins from the beginning of construction. YAEC had a written procedure during the latter part of construction which required a YAEC review of all safety-related weld radiographs.

Some safety-related welds were fabricated off-site (shop welds) on components which were later installed at SEABROOK. The radiographs of these welds were referred to as vendor radiographs and were also submitted to YAEC for acceptance and storage.

In April 1990 U.S. Congressmen Morris UDALL, Peter KOSTMAYER, Edward KENNEDY, Edward MARKEY, Nicholas MAVROULES and John KERRY raised concerns to the Office of the Inspector General (OIG). These concerns involved the NRC oversight of the quality assurance program for safety-related welds at SEABROOK and representations made by the NRC in the following documents:

1. The memorandum from William RUSSELL, Regional Administrator, Region I to Dr. Thomas MURLEY, Office of Nuclear Reactor Regulation (NRR) dated February 28, 1990 (RUSSELL memorandum)
2. The letters from Chairman Kenneth CARR to Senator Edward KENNEDY and Congressman Peter KOSTMAYER dated March 15, 1990

These NRC documents were written in response to questions raised by Senator KENNEDY and Congressman KOSTMAYER about the welding program at SEABROOK and the concerns of Joseph WAMPLER. WAMPLER

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was employed by the Pullman-Higgins Company as an NDE site level III radiograph technician at SEABROOK during the late summer and fall of 1983. He was fired in January 1984. During his Department of Labor hearing about his termination, WAMPLER raised certain issues which included concerns about welding and radiography at SEABROOK.

Six issues were identified that concerned the manner in which the NRC examined the quality assurance program for the construction of SEABROOK Nuclear Station and representations made by the NRC to Congress about that examination.

The six issues and our findings are summarized below:

I. The 20% Reject Rate Of Weld Radiographs

The NRC represented to the Congress in the RUSSELL memorandum that a 20% reject rate for weld radiographs was not unusual. The RUSSELL memorandum was written in response to Congressional concerns.

Investigative Issues

Was the statement in the RUSSELL Memorandum that the NRC did not consider a 20% weld radiograph reject rate to be unusual supported in fact? Did the NRC attempt to deliberately mislead the Congress by the statement?

Findings

1. The OIG investigator was unable to determine who wrote the statement, "Our assessment is that a 20% reject rate of radiographs during the first review by a Level III examiner is not unusual." The lack of knowledge within Region I concerning who wrote the statement is indicative of a vulnerability in the review and concurrence process for the RUSSELL memorandum.
2. The NRC officials who reviewed this statement provided the OIG with little factual support for their concurrence.
3. The assumption made by Region I that WAMPLER's review was the first NDE Level III review of the backlogged radiographs proved incorrect. Some of the radiographs were previously examined by a Level III.
4. The statement was also unclear about whether the assessment of the reject rate was based on industry wide statistical data or related to past inspection experience at SEABROOK Nuclear Station. It was also unclear whether the reject rate assessment was based strictly on weld defects or included film quality and administrative errors.

5. This investigation developed no information to indicate that the Region I assessment was an attempt to mislead the Congress by providing false or inaccurate information.

## II. The Joseph WAMPLER Settlement Agreement

The NRC represented to Congress that the settlement agreement between the Pullman-Higgins Company and Joseph WAMPLER did not discourage WAMPLER from disclosing safety concerns to the NRC.

### Investigative Issues

Did the NRC have a sufficient basis for the statement that the settlement agreement did not inhibit or discourage Joseph WAMPLER from informing the NRC about his safety concerns?

### Findings

1. The primary basis for the NRC conclusion concerning the restrictiveness of the settlement agreement was from information supplied by ██████████, the attorney for Pullman-Higgins in the WAMPLER matter. Region I did not obtain an independent analysis from their own NRC legal counsel.
2. The review of the NRC response to Senator KENNEDY by the Office of the General Counsel at NRC Headquarters did not include consideration of basic documents needed for a legal review.
3. The representations in the NRC letter to Joseph WAMPLER on March 14, 1990, were inconsistent with the statements in the NRC response to Senator KENNEDY on March 15, 1990. The letter to WAMPLER stated that the NRC believed the language in his settlement agreement could be interpreted to restrict his ability to freely communicate with the NRC. The letter to Senator KENNEDY stated that the agreement did "not prohibit the plaintiff from reporting or discussing his findings regarding radiographic records...."

## III A. 100% Review Of Weld Radiographs - RUSSELL Memorandum

The NRC represented to Congress that after WAMPLER's termination from the Pullman-Higgins Company, the licensee performed a 100% review of all safety-related radiographs. The NRC cited Inspection Report 90-80 as its source of information for this claim.

Investigative Issues

Did the NRC staff provide incorrect information in the RUSSELL memorandum regarding the 100% review of radiographs following WAMPLER's termination from the Pullman-Higgins Company?

Did NRC Inspection Report 90-80 contain incorrect information with respect to its characterization of information in Inspection Reports 85-31 and 84-07?

Findings

1. YAEC did not begin the 100% review of radiographs after WAMPLER'S termination from the Pullman-Higgins Company. This review of Pullman-Higgins radiographs was already ongoing at the time of WAMPLER'S termination.
2. The process for the review and concurrence of the RUSSELL memorandum was flawed. The inaccuracy regarding the review being conducted after WAMPLER'S departure occurred when the author's draft was altered without his knowledge. The investigation was unable to determine who made that change.
3. Inspection Report 90-80 mischaracterized statements in Inspection Reports 85-31 and 84-07. Contrary to representations in Inspection Report 90-80, these inspection reports do not substantiate that a 100% review of radiographs was conducted by YAEC.

III B. 100% Review of Weld Radiographs - Congressman KOSTMAYER

After reviewing the RUSSELL memorandum, Congressman KOSTMAYER queried the NRC, as to what statements in Inspection Report 84-07 supported the claim that YAEC conducted a 100% review of all safety-related radiographs. The NRC cited statements in Inspection Report-84-07 that supported their earlier 100% review claim.

Investigative Issues

Did the NRC response to Congressman KOSTMAYER justify how Inspection Report 84-07 supported the RUSSELL memorandum's claim of a 100% review by YAEC?

Findings

1. The OIG investigation determined that Inspection Report 84-07 did not support the NRC's representation to Congressman KOSTMAYER about the 100% review of all safety-related weld radiographs.

2. Contrary to the NRC's response to Congressman KOSTMAYER, the OIG investigation found that during NRC Inspection 84-07, YAEC did not have a written procedure that required the review of all safety-related vendor and site generated radiographs.

#### IV. Joseph WAMPLER's 16 Nonconformance Reports

The NRC handling of WAMPLER's concern that 16 potential nonconformance reports (NCRs) that he was preparing at the time of his termination were properly processed by the Pullman-Higgins Company.

##### Investigative Issues

Did the NRC take appropriate action to assure that the Pullman-Higgins Company properly dispositioned 16 potential nonconformance reports being prepared by Joseph WAMPLER at the time of his termination?

##### Findings

The OIG investigation determined that the NRC did not identify 14 of the 16 potential NCRs mentioned by WAMPLER. NRC personnel made the decision to focus instead on the records turnover process following WAMPLER's termination which should have included NCRs being processed. Senior Construction Resident Inspector (SCRI) ██████ explained that his reason for this decision was the existence of an NRC policy not to disclose an alleged's identity. The information concerning the 16 NCRs was of a singular nature and would have identified WAMPLER. During this period ██████ had been told by WAMPLER not to inform Pullman-Higgins of his contact with the NRC. ██████ efforts during Inspection 83-22 and 83-15 to review the records turnover process were in response to concerns raised by WAMPLER about the 16 NCRs.

#### V. The Informal Return of Radiographs

Joseph WAMPLER alleged that YAEC returned deficient radiograph packages to Pullman-Higgins without documenting those deficiencies.

##### Investigative Issues

Would an informal system of returns constitute a violation of 10 CFR 50, Appendix B? Did YAEC informally return radiographs to Pullman-Higgins for corrective action? Was the NRC aware of YAEC's informal return of rejected weld radiographs to the Pullman-Higgins Company?

Findings

1. The investigation determined that in various ways, YAEC was informally returning radiograph packages to Pullman-Higgins.
2. The practice of informally returning radiographs without documentation is a violation of 10 CFR 50, Appendix B.
3. The investigation did not develop any evidence to indicate the NRC was aware of this practice during the period of construction.

VI. Construction Deficiency Reporting Requirements

WAMPLER alleged that YAEC intended to issue a 10 CFR 50.55(e) notification concerning the high reject rate of weld radiographs and then failed to do so.

Investigative Issues

Was Joseph WAMPLER's allegation correct that YAEC decided to issue a 10 CFR 50.55(e) report regarding high radiograph reject rates and then failed to do so?

Findings

The OIG investigation found no evidence to substantiate WAMPLER's allegation.



**BABIE**

On February 27, 1990, Senator Edward M. KENNEDY forwarded a letter (Exhibit 1) to Kenneth M. CARR, Chairman, U.S. Nuclear Regulatory Commission (NRC), regarding the disposition of certain allegations concerning defects in radiographs of safety-related welds at SEABROOK Nuclear Station. Joseph D. WAMPLER, a Nondestructive Examination (NDE) site level III radiograph technician, had been employed by the Pullman-Higgins Company at SEABROOK Nuclear Station during the late summer and fall of 1983. WAMPLER was fired from his position in January 1984, and he filed a complaint with the U.S. Department of Labor (DOL). In March 1984, during his DOL hearing, WAMPLER claimed that in the course of his review of approximately 800 - 900 radiographs of safety-related welds, he had rejected approximately 20%, either because the radiograph was improperly taken and could not be read, or because a properly taken radiograph had shown a weld that did not meet the applicable standards.

Attached to Senator KENNEDY's letter was a series of 15 questions concerning WAMPLER and his employment with the Pullman-Higgins Company. Senator KENNEDY requested that the questions be resolved before the Commission made its decision regarding the authorization of a full-power license for SEABROOK Nuclear Station.

In a memorandum dated February 28, 1990, (Exhibit 2), from William T. RUSSELL, Regional Administrator, Region I to Dr. Thomas E. MURLEY, Office of Nuclear Reactor Regulation (NRR), RUSSELL indicated that Region I had completed an expedited review of the concerns of Joseph WAMPLER and concluded that no condition material to full-power licensing was involved. This memorandum went on to state that Region I had reviewed Senator KENNEDY's letter to Chairman CARR and —

Although we have not had time to develop detailed answers to the contained 15 questions and currently lack complete knowledge of answers to who knew what when, we are confident, based on our extensive inspections and analysis, that Senator KENNEDY has raised no new safety issue that has not been previously reviewed and resolved, or that is material to the full-power licensing of SEABROOK.

On March 1, 1990, the Nuclear Regulatory Commission issued decision CLI-90-03, which allowed the Atomic Safety and Licensing Board's authorization in November 1989 of a full-power license for SEABROOK to become effective.

In a letter dated March 7, 1990, (Exhibit 3) from Peter KOSTMAYER, Chairman, Subcommittee on General Oversight and Investigations, U.S. House of Representatives to Chairman CARR,

KOSTMAYER raised a number of additional questions concerning defects in the radiographs of welds at SEABROOK Nuclear Station.

On March 15, 1990, Chairman CARR responded to Senator KENNEDY (Exhibit 4) and Congressman KOSTMAYER (Exhibit 5) answering the questions raised by Senator KENNEDY in his letter dated February 27, 1990, and the questions raised by Congressman KOSTMAYER in his correspondence dated March 7, 1990.

By letter dated April 6, 1990, (Exhibit 6) U.S. Congressmen Morris UDALL, Peter KOSTMAYER, Edward KENNEDY, Edward MARKEY, Nicholas MAVROULES and John KERRY requested an investigation be conducted by the NRC Office of the Inspector General (OIG). The investigation concerned the veracity and completeness of NRC responses to inquiries from the Congress regarding the weld examination program at SEABROOK. The concerns specifically focused on the February 28, 1990, memorandum from William RUSSELL to Dr. Thomas MURLEY and the correspondence from Chairman CARR to Senator KENNEDY and Congressman KOSTMAYER dated March 15, 1990.

In April 1990 the OIG initiated an investigation into the WAMPLER matter focusing on the following issues:

I. The 20% Reject Rate Of Weld Radiographs

The NRC represented to the Congress in the RUSSELL memorandum that a 20% reject rate for weld radiographs was not unusual. The RUSSELL memorandum was written in response to Congressional concerns.

II. The Joseph WAMPLER Settlement Agreement

The NRC represented to Congress that the settlement agreement between the Pullman-Higgins Company and Joseph WAMPLER did not discourage WAMPLER from disclosing safety concerns to the NRC.

III A. 100% Review Of Weld Radiographs - RUSSELL Memorandum

NRC represented to Congress that after WAMPLER's termination from the Pullman-Higgins Company, the licensee performed a 100% review of all safety-related radiographs. The NRC cited Inspection Report 90-80 as its source of information for this claim.

B. 100% Review of Weld Radiographs - Congressman KOSTMAYER

After reviewing the RUSSELL memorandum, Congressman KOSTMAYER queried the NRC, as to what statements in Inspection Report 84-07 supported the claim that YAEC conducted a 100% review of all safety-related radiographs. The NRC cited statements in Inspection

Report 84-07 that supported their earlier 100% review claim.

IV. Joseph WAMPLER's 16 Nonconformance Reports

The NRC handling of WAMPLER's concern about whether 16 potential nonconformance reports he was preparing at the time of his termination were properly processed by the Pullman-Higgins Company.

V. The Informal Return of Radiographs

Joseph WAMPLER alleged that YAEC returned deficient radiograph packages to Pullman-Higgins without documenting those deficiencies.

VI. Construction Deficiency Reporting Requirements

WAMPLER alleged that YAEC intended to issue a 10 CFR 50.55(e) notification concerning the high reject rate of weld radiographs and then failed to do so.

I. Background - The 20% Reject Rate of Weld Radiographs

The memorandum from RUSSELL to MURLEY dated February 28, 1990, (Exhibit 2, page 3) states, "Our assessment is that a 20% reject rate of radiographs during the first review by a Level III examiner is not unusual."

During the DOL hearing on March 20, 1984, (Exhibit 7) WAMPLER indicated that he had been given approximately 970 packages of backlogged radiographs to review in early November 1983, and was to have them done within 22 or 23 days. WAMPLER's attorney stated that these radiographs had been taken by a technician in 1981, put away and never read by a Site Level III radiographer. WAMPLER advised that when he began reviewing the film he started rejecting radiographs at a rate which he considered excessive. He described anything over 5% as an excessive reject rate. WAMPLER said that he was rejecting radiographs at the rate of 19 to 20%.

WAMPLER testified that he was finding numerous paperwork errors, some radiographs that showed a lack of weld fusion, some weld porosities and some "brown" (discolored) film which was unacceptable for code compliance. WAMPLER explained that a lack of fusion was a rejectable condition because the weld would have to be repaired. He also explained that porosity in itself was an acceptable condition provided it fell within the code requirements. WAMPLER indicated that if the porosities had a direct line which was construed to be a crack, the condition was rejectable. He indicated that certain film would be rejected because the film was brown and he could not read the weld or there were views of the weld that he could not read.

In response to questions during the DOL hearing, WAMPLER indicated that four or five months prior to his employment with Pullman-Higgins there had been no site Level III radiographer for interpretive review. WAMPLER also related he was not making any allegations regarding any violation of procedures in regard to radiographic film, and he was not aware of any violations in reviewing the film that occurred at Pullman-Higgins or any other level on site.

Investigative Issues

Was the statement in the RUSSELL memorandum that the NRC did not consider a 20% weld radiograph reject rate to be unusual supported in fact? Did the NRC attempt to deliberately mislead the Congress by the statement?

Details

The official record copy of the RUSSELL memorandum indicates the following concurrences: [redacted] for [redacted] and [redacted]

[redacted] for himself, [redacted], then Deputy Regional Administrator, for himself and William RUSSELL.

OIG interviewed [redacted], former Resident Inspector (RI) at SEABROOK (Exhibit 8). [redacted] was questioned concerning what caused the RUSSELL memorandum to be prepared. [redacted] recalled that on February 27, 1990, he was assigned to SEABROOK when he received a telephone call from someone he believed to be in the NRC Office of Congressional Affairs. The caller indicated there was a letter being forwarded from Senator KENNEDY with a series of questions about a former Pullman-Higgins radiographer by the name of Joseph WAMPLER. He recalled that the individual read twelve (12) specific questions to him concerning WAMPLER. [redacted] was told that the letter was being handled as a late filed allegation, and the Region I staff needed to determine if there was any new information that was significant to the licensing decision. [redacted] provided a copy of his notes taken during that call and the subsequent conference call that occurred on February 28, 1990 (Exhibit 9).

[redacted] added that at this time, he was the only person in the NRC's SEABROOK office because [redacted] the Senior Construction Resident Inspector (SCRI), and [redacted], the Senior Resident Inspector (SRI), were both on leave.

[redacted] recalled that the questions were provided to New Hampshire Yankee (NHY), a division of PSNH. He advised that NHY intended to start developing some of the answers which would be discussed during the conference call he was to arrange with the NRC on February 28, 1990. He indicated that, to his knowledge, the RUSSELL memorandum was based primarily upon information that was obtained during this conference call. He advised that the conference call involved NRC Headquarters personnel and Region I personnel including [redacted], [redacted], and [redacted]. During the call, [redacted] was in NHY Chairman [redacted] office, along with NHY personnel [redacted], [redacted], and [redacted] the attorney who represented Pullman-Higgins in the WAMPLER DOL hearing. He also recalled that [redacted] from Region I happened to be visiting the SEABROOK site that day and was also present in [redacted] office during the call.

[redacted] advised that after the conference call, he was tasked to review inspection reports, the WAMPLER allegation file and other files located at SEABROOK. He advised that he provided information from these files to [redacted] his point of contact at Region I. He opined that he would have had conversations with others at the Region to include [redacted] [redacted] said he may have written a draft of some of the sections in the RUSSELL memorandum which he then had faxed to the Region.

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On August 1, 1991, OIG reinterviewed [REDACTED] (Exhibit 10). He was questioned regarding the statement, "Our assessment is that a 20% reject rate of radiographs during the first review by a Level III examiner is not unusual." [REDACTED] stated that his best recollection was that this was [REDACTED] assessment of what the NRC had found at other facilities.

OIG interviewed [REDACTED], Deputy Director, Division of Reactor Projects, Region I (Exhibit 11). [REDACTED] indicated he saw the RUSSELL memorandum in the concurrence chain as he was acting for Division Director [REDACTED] and he also concurred for [REDACTED] who was not available. He could not recall having any discussions regarding the substance of the document and indicated he made no changes to the memorandum when he saw it for concurrence. He did not know who prepared the document, but indicated it came out of [REDACTED] Projects Branch 3 in the Division of Reactor Projects. [REDACTED] said that many of the issues raised regarding welding would have been [REDACTED] concern in his position in the Division of Reactor Safety in Region I.

OIG interviewed William RUSSELL, former Regional Administrator of Region I (Exhibit 12). RUSSELL advised that the memorandum dated February 28, 1990, to MURLEY was signed by [REDACTED] Deputy Regional Administrator. RUSSELL stated he was on annual leave at his residence in [REDACTED] beginning February 26, and he did not return to the region until March 5, 1990. RUSSELL advised that he did not see the memorandum before it was signed. He also did not recall any telephone discussions regarding the memorandum during the period he was on leave.

RUSSELL was questioned about Region I's need to respond quickly on February 28, 1990, to the concerns raised by Senator KENNEDY in his letter dated February 27, 1990. RUSSELL indicated he did not believe the memorandum was unusual. He said there was a process in the case of late filed or last minute allegations to make a judgement as to whether there is something that would be a bar to licensing and to document the basis for that conclusion.

With respect to inaccuracies in the memorandum, RUSSELL stated that when something is done in a hurry, there was always a potential for inaccuracies. He indicated that the fundamental purpose of the memorandum was to address whether there was an issue that would bar proceeding with a licensing decision. He advised that Region I was comfortable based on all the inspections that had been conducted during the period of construction to determine that these issues were not relevant to a full-power license.

On May 13, 1991, OIG interviewed [REDACTED], Branch Chief, Division of Reactor Safety, NRC Region I (Exhibit 13). [REDACTED] advised that the Division of Reactor Projects in Region I

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initiated the RUSSELL memorandum. [redacted] could not recall who directed the document to be written, but recalled it came through his office for concurrence and that [redacted], a section chief in the Division of Reactor Projects, asked him to review it.

[redacted] recalled that he drafted parts of the document and was involved in reviewing the section having to do with the "Alleged high-rate of rejection rates for radiographs." He advised that he had an ad hoc meeting in the hallway with [redacted] and [redacted] who were non-destructive examination (NDE) Level III technicians assigned to his staff. [redacted] recalled asking, "Does a 20% weld reject rate sound like a big number to you?" He indicated the response was no, it's high, but it's not unusual. [redacted] related that he could not recall if [redacted], who also had radiographic technical experience, was a party to that conversation, but that after the meeting he asked certain staff members if that percentage was unusually high. [redacted] advised that, to the best of his knowledge, no one had a dissenting opinion. [redacted] also indicated that the statement regarding the 20% reject rate as not being unusual was already in the RUSSELL memorandum at the time he reviewed it. [redacted] stated he just wanted to confirm that the statement was not "out in left field" and that was what prompted the hallway meeting. [redacted] further advised he did not write the section, but he did edit it. [redacted] reported that [redacted] may have written this section of the RUSSELL memorandum, but he did not know that for a fact.

[redacted] indicated at the time the RUSSELL memorandum was being prepared, he did not know that WAMPLER had been reviewing radiographs which had been previously reviewed by a Level III. [redacted] stated that it would definitely be unusual for a Level III to be reviewing film previously reviewed by another Level III and finding a 20% reject rate.

With respect to pressure from NRC Headquarters, [redacted] thought there was a perceived need to get the job done to meet the licensing schedule of the Commission, and he felt pressure to a certain extent as did other staff members. Regarding what could have been done differently, [redacted] stated:

In 20/20 hindsight if we knew that everybody was going to go over each word of this document with a magnifying glass, in retrospect, we would have probably spent a whole lot more time putting it together, but that's not the vein it was generated in. It was from a reasonable assurance, do we feel there is something substantial here that's going to drive us to go out and do new inspections after we've spent thousands and thousands of hours up there, and do we feel comfortable with what's there today, based on the record? The answer was, yes, we feel comfortable, based on the record.

On August 1, 1991, OIG reinterviewed [redacted] at NRC, Region I (Exhibit 14). [redacted] was questioned regarding his role in preparing or reviewing the RUSSELL memorandum. [redacted] indicated it was "pretty much put together" when he saw it for concurrence. [redacted] vaguely remembered a conference call regarding Senator KENNEDY's questions, but indicated he had been involved in multiple SEABROOK conference calls and "after awhile this kind of all runs together." [redacted] could not recall the specific details that led to the initiation of the RUSSELL memorandum, but explained that very rarely had he seen anything go out of the office (Region I) at that level in one day.

With respect to the 20% reject rate, [redacted] again recounted speaking with [redacted] and [redacted] in the hallway and asking the question, "Is a 20% reject rate on radiography, is that unusually high", and the response was 'it's not unusual, we've seen it before.'" [redacted] stated he could not remember if [redacted] or [redacted] read the draft of the RUSSELL memorandum at the time he asked the question. [redacted] recalled that his view of the 20% reject rate was that it included not just weld defects, but also film quality questions that did not necessarily reflect weld defects.

[redacted] stated that his view of the 20% reject rate was based on his and his staff's inspection experience and the large amount of radiographic film they had reviewed at SEABROOK. [redacted] indicated that it was his belief that if 20% of the radiographs were being rejected on the first review, the problems were being identified for correction and the system was working.

On May 14, 1991, OIG interviewed [redacted] at NRC, Region I (Exhibit 15). With respect to this issue, [redacted] recalled sitting down with [redacted] and [redacted] who was in charge of the Region I Mobile Nondestructive Examination (NDE) Laboratory. [redacted] an NDE Level III used the mobile laboratory to perform nondestructive examinations at SEABROOK.] [redacted] recalled that [redacted], who was the expert, indicated that a 20% reject rate was not high in his ([redacted]) estimation. [redacted] advised that he viewed the 20% reject rate as a rejection for any reason including film and administrative problems. He indicated the initial assessment was based on [redacted] experience and [redacted] saying that a 20% reject rate was not unusual. [redacted] indicated that [redacted] and [redacted] probably put together the initial draft of the RUSSELL memorandum, but that it was a collaborative effort and that he was certainly involved in the review of the document.

On May 14, 1991, OIG interviewed [redacted] at NRC, Region I (Exhibit 16). [redacted] advised he once worked from 1970 to 1986 as a manager of materials engineering within a quality assurance group for the prime contractor at SEABROOK. [redacted] stated he was now a reactor engineer and was familiar with radiographs, but he



was not a certified radiographer. [redacted] was provided a copy of the RUSSELL memorandum and he indicated that he was asked some questions by [redacted] about the rejection rate, but he now could not recall the percentage figure. He indicated that [redacted] asked him what he would expect was a typical rejection rate. [redacted] stated that his expertise with respect to reject rates was based on his employment at the Bettis Power Laboratory and with the Navy Nuclear Program. He indicated that he told [redacted] that shipyard welding reject rates of 10 to 30% on a first review would not be unusual. He stated that his response to [redacted] was just an opinion based on experience, but he did no independent research to substantiate his response. [redacted] indicated that if the rejection rate was 20% on radiographs previously reviewed by a Level III, that would be unusual. With respect to the statement in the RUSSELL memorandum, [redacted] concluded that the reject rate was based on weld defects and did not include administrative or "paperwork" problems. [redacted] advised that he was speaking based on his experience of what he had seen in the past and not as an expert in radiography. [redacted] explained that since his employment with the NRC, he had not been involved in any inspections at SEABROOK.

On May 14-15, 1991, [redacted] was interviewed at NRC, Region I (Exhibit 17). [redacted] advised he had conversations with [redacted] regarding the reject rate for radiographs with respect to the RUSSELL memorandum and had some input regarding that issue. [redacted] said that he did not recall having a conversation with [redacted] about the 20% reject rate although he discussed the issue with [redacted] in some detail. [redacted] stated he had some historical material with respect to welding reject rates. He provided a list of weld reject rates based on radiography at four plants in Region I (Exhibit 18). The reject rate for SEABROOK was listed as 24 - 30% for September 1982; LIMERICK had a 7 - 9% rate for December 1982; HOPE CREEK listed a 46.67% rate for August 1983; and SUSQUEHANNA listed rates fluctuating between 17 - 52%. The historical material did not indicate at what level the weld defects were found.

[redacted] indicated he was not sure what WAMPLER's 20% reject rate meant because it included rejects for both weld and film quality defects. [redacted] advised that the 24 - 30% reject rate for SEABROOK in September 1982 was for welding defects only.

On May 15, 1991, OIG continued the interview of [redacted] concerning the 20% reject rate. [redacted] provided an excerpt from a response to a separate KENNEDY letter dated March 12, 1990 (Exhibit 19). [redacted] indicated his handwritten comments on page 2 of Exhibit 19 reflect that he did not know what that 20% weld reject meant and that in order to understand what it represented, it would be necessary to find out how many reports were the result of weld quality and how many were due to poor radiography technique. [redacted] stated:

Now you picture hypothetically 1,000 packages of film that have been reviewed by only one person, a Level II and perhaps a Level II isn't a spectacular film reader and now the Level III is going through that stack and he's looking at all these film and he rejects 20% of it. Some of those rejects once again are going to be because there's weld defects that the level II did not see and there's going to be a lot of rejects probably of film that doesn't meet code. And then somebody asks us, in my case, me, is that really unusual. In that kind of situation I say that's probably not unusual. I mean you brought this Level III in to be very particular and look at every possible detail and four out of the five film are acceptable and one out of five is tossed out, is that unusual, I don't think so. So I would stay by that statement today.

On August 29, 1991, ██████████ was interviewed at his residence in ██████████, ██████████ (Exhibit 20). ██████████ is a retired NRC NDE Level III who was assigned to Region I at the time of his retirement as Project Manager for NDE for the five NRC Regions.

██████████ recalled that ██████████ asked for his opinion of a 20% weld reject rate. ██████████ advised that he had inspected welding programs in over 95 nuclear plants and would be one of the most knowledgeable people in the country to give an assessment of a welding program. ██████████ stated that he advised ██████████ that WAMPLER's 20% reject rate of radiographs was not unusual. He based his assessment on what the reject rate had been in the past at SEABROOK, the turnover of Level III radiographers at SEABROOK, that the 20% reject rate was not just for weld problems but included film quality problems, and because it was the first review by a Level III. ██████████ indicated that he knew WAMPLER was reviewing radiographs that were backlogged, but it was his understanding that this was the first review by a Level III.

In April 1990 Joseph WAMPLER was interviewed by the NRC staff. During that interview he stated that some of the backlogged radiographs that he reviewed were previously reviewed by a Pullman-Higgins NDE Level III.

OIG reviewed the NRC Independent Review Team (IRT) Report NUREG-1425, Welding and Nondestructive Examination Issues at Seabrook Nuclear Station, dated July 28, 1990. The IRT determined that some of the backlogged weld packages that WAMPLER reviewed had previously been examined by a Pullman-Higgins NDE Level III.

During the course of the interviews regarding who was involved in the preparation of the RUSSELL memorandum, it should be noted

that a number of individuals including [REDACTED], currently the Regional Administrator, Region I, and [REDACTED] Section Chief, Division of Reactor Projects, Region I, believed that [REDACTED], the Senior Construction Resident Inspector at SEABROOK during construction, participated in the preparation of the RUSSELL memorandum. The OIG investigation determined [REDACTED] was not involved in the document preparation as he was on annual leave. It should also be noted that regarding the question of what caused Region I to conduct an expedited review of the concerns of Joseph WAMPLER, only [REDACTED] former Resident Inspector at SEABROOK, recalled the details leading up to the preparation of the RUSSELL memorandum.

### Findings

1. The OIG investigation was unable to determine who wrote the statement, "Our assessment is that a 20% reject rate of radiographs during the first review by a Level III examiner is not unusual." The lack of knowledge within Region I concerning who wrote the statement is indicative of a vulnerability in the review and concurrence process for the RUSSELL memorandum.
2. The NRC officials who reviewed this statement provided the OIG with little factual support for their concurrence.
3. The assumption made by Region I that WAMPLER's review was the first NDE Level III review of the backlogged radiographs proved incorrect. Some of the radiographs were previously examined by a Level III.
4. The statement was also unclear about whether the assessment of the reject rate was based on industry wide statistical data or related to past inspection experience at SEABROOK Nuclear Station. It was also unclear whether the reject rate assessment was based strictly on weld defects or included film quality and administrative errors.
5. This investigation developed no information to indicate that the Region I assessment was an attempt to mislead the Congress by providing false or inaccurate information.

## II. Background - The Joseph WAMPLER Settlement Agreement

On January 3, 1984, Joseph WAMPLER, a radiographic technician for the Pullman-Higgins Company at SEABROOK Station, was fired. He was allegedly dismissed for improper conduct and causing dissension between management and technicians. WAMPLER filed a complaint with the U.S. Department of Labor (DOL) on January 8, 1984, (Exhibit 21) claiming he was fired for bringing a safety violation to the attention of management. In a letter to WAMPLER, the DOL indicated their investigation did not verify that discrimination was a factor and concluded that WAMPLER's allegations were unprovable and "this investigation disclosed that discharge was due to your inability to maintain a satisfactory working relationship with other management employees" (Exhibit 22). WAMPLER appealed the finding of the DOL investigation.

This appeal resulted in a DOL hearing on March 19, 1984 (Exhibit 7). On March 20, 1984, WAMPLER and representatives of the Pullman-Higgins Company entered into a settlement agreement (Exhibit 23). A provision of that agreement states, "Neither party will discuss or disclose the facts of this case except if ordered to do so by court, tribunal or agency of competent jurisdiction."

In his February 27, 1990, letter to Chairman CARR, Senator KENNEDY questioned whether any settlement agreement between WAMPLER and Pullman-Higgins inhibited or discouraged WAMPLER from informing the NRC of his concerns about weld radiography.

The memorandum from William RUSSELL to Dr. MURLEY dated February 28, 1990, (Exhibit 2) states, "The settlement agreement did not deny NRC information on the examiner's concerns, since as stated in the DOL transcript, he had already reported those concerns."

In a March 15, 1990, response to KENNEDY, the NRC stated:

A copy of the settlement agreement, dated March 20, 1984, signed by Mr. WAMPLER; [REDACTED], his counsel; [REDACTED], for Pullman-Higgins; and [REDACTED], the counsel for Pullman-Higgins is enclosed. The agreement provides that the parties will not discuss the facts of this case unless ordered to do so by a court, tribunal or agency of competent jurisdiction. It does not prohibit the plaintiff from reporting or discussing his findings regarding radiographic records since these findings were not the facts of the case in question.

Relevant to this issue is a letter dated March 14, 1990, (Exhibit 24) from [REDACTED], Project Director, Office of Nuclear

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Reactor Regulation (NRR), NRC, to Joseph WAMPLER. In this letter, the NRC advised WAMPLER:

The Nuclear Regulatory Commission (NRC) has recently become aware of a settlement agreement between you and Pullman-Higgins. This settlement agreement contains language which can be interpreted to restrict your ability to freely communicate with the NRC. Please be aware that on April 27, 1989, the NRC sent letters to all utilities, major architect-engineers, nuclear steam supply system vendors, fuel cycle facilities, and major materials licensees concerning provisions in settlement agreements which would be interpreted to restrict the settling party or parties from communicating safety concerns to the NRC. The April 27, 1989, letter is enclosed for your information.

Our Regional Office in King of Prussia, PA, has contacted you to determine whether you have information concerning potential safety issues which have not been previously provided to the NRC. As stated in the enclosure to this letter the terms of your settlement agreement can not restrict your communications with NRC.

#### Investigative Issues

Does the NRC have a sufficient basis for the statement that the settlement agreement did not inhibit or discourage Joseph WAMPLER from informing the NRC about his safety concerns?

#### EXHIBIT 2

One interviewed [redacted] who advised he had no involvement in preparing the statement that appeared in the RUSSELL memorandum regarding the settlement agreement and believed that the statement was prepared by someone in the Division of Reactor Projects.

With respect to the response to KENNEDY, [redacted] indicated he may have had some input. [redacted] recalled that during an inspection of SEABROOK in March 1990, [redacted] of NHY gave him a copy of the settlement agreement. [redacted] advised that he was not a lawyer, but when he read the settlement agreement he did not find anything that explicitly precluded WAMPLER from reporting information to the NRC. [redacted] was not sure if he drafted or just reviewed the response to KENNEDY and he did not know if the response had been reviewed by the Region I Regional Counsel. [redacted] recalled that at that time no one in the region construed the agreement as prohibiting WAMPLER from coming to the NRC with safety concerns. [redacted] indicated it was not until the issue was

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forwarded to NRC Headquarters that OGC became involved and determined that the language could be considered restrictive.

[REDACTED], Senior Resident Inspector for Construction (Exhibit 25) stated that he reviewed the response to Senator KENNEDY that was written by [REDACTED] and did not disagree with it. He indicated that as a layman and not a lawyer, he believed the settlement agreement related to the specific issues in contention which were the whistleblower complaints. He advised that the issue of the DOL hearing was about the unauthorized crossing of radiation barriers and not about the review of radiographs. [REDACTED] stated however, if an NRC lawyer had told him the settlement agreement was restrictive, he would have accepted that position.

[REDACTED] Regional Counsel for Region I (Exhibit 26) advised that she assumed her duties on a full time basis in January 1990. She indicated that she was not involved in the preparation of the RUSSELL memorandum or Chairman CARR's response to Senator KENNEDY, dated March 15, 1990. [REDACTED] could not recall anyone requesting her advice regarding the response to questions about the settlement agreement.

[REDACTED] advised that to the best of his knowledge, the statement in the RUSSELL memorandum regarding the settlement agreement was prepared by Region I based on the results of the previously described February-28, 1990, conference call. [REDACTED] said that he believed the RUSSELL memorandum reflects the legal opinion of [REDACTED], Esq. [REDACTED] was the attorney who represented Pullman-Higgins during WAMPLER's DOL hearing.

With respect to Senator KENNEDY's question, [REDACTED] believed that he compiled the information for that response although he could not specifically recall drafting it. He stated that although he was not an attorney, he ([REDACTED]) did not believe WAMPLER was restricted as the case in question involved radiation safety violations.

[REDACTED] advised that he had agreed with the statement in the RUSSELL memorandum regarding the WAMPLER settlement agreement. He was not sure how much of that section he had drafted. To his knowledge, the response had not been reviewed by an attorney in Region I, but it may have been reviewed by an attorney in headquarters. [REDACTED] thought it was extremely difficult for anyone who did not have a law background to tell what was covered by the settlement agreement. He also advised that at the time the RUSSELL memorandum was written, Region I believed that they knew all of WAMPLER's concerns.

OIG interviewed [REDACTED], Division of Reactor Projects, NRR, regarding the letter which was sent to WAMPLER on March 14, 1990. [REDACTED] advised he was aware of the letter, but he was on leave at the time and not involved in its preparation. He

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advised that the letter was signed for him by [REDACTED] who was acting for him and that [REDACTED] or [REDACTED] may have information concerning the letter (Exhibit 27).

[REDACTED], Division of Reactor Projects, NRR, was interviewed regarding the letter sent to WAMPLER (Exhibit 28). As background, [REDACTED] recalled that on April 27, 1989, the NRC sent letters to all NRC licensees asking them to review their settlement agreements to ensure they did not contain restrictive language. He advised that in response to this letter, [REDACTED] - [REDACTED], currently NHY President, advised the NRC that WAMPLER's settlement agreement did not contain restrictive language. [REDACTED] advised that the NRC Office of Investigations (OI) conducted an investigation involving [REDACTED] response. QUAY indicated that OI's investigation did not conclude that [REDACTED] had knowingly misled the NRC because it appeared that he accepted the opinion of [REDACTED] the attorney who represented Pullman-Higgins during WAMPLER's DOL hearing. According to [REDACTED], [REDACTED] concluded that the nondisclosure clause did not restrict WAMPLER from talking about safety issues with the NRC.

[REDACTED] opined that the settlement agreement could be construed to be restrictive, but it was more on the "benign" end of the scale as compared to restrictive language he had seen in other settlement agreements. [REDACTED] could not recall if he provided OGC with a copy of the WAMPLER settlement agreement, but he indicated that in other cases settlement agreements would be reviewed by [REDACTED] or [REDACTED], OGC. [REDACTED] advised he was not involved in the preparation of the RUSSELL memorandum or the letter from Chairman CARR to Senator KENNEDY.

[REDACTED], OGC, was interviewed about the March 15, 1990, letter from Chairman CARR to Senator KENNEDY (Exhibit 29). [REDACTED] stated that he consulted with [REDACTED] and [REDACTED], OGC attorneys, and all were very confident they had not previously reviewed this document.

OIG contacted [REDACTED] in the Office of the Secretary of the Commission and requested copies of the voting sheets regarding the correspondence forwarded to KENNEDY and KOSTMAYER. A review of the voting sheets indicated that the KENNEDY correspondence had been reviewed by [REDACTED], OGC.

[REDACTED] (Exhibit 30) advised he did not have a transcript of WAMPLER's DOL hearing at the time he reviewed this response. He indicated that his review of the question was a short order assignment and that he looked at it basically to see if anything would "jump out" as being amiss. [REDACTED] further advised that had he known about the NRC letter sent to WAMPLER on March 14, 1990, he would have looked more closely at the answer to KENNEDY's question.

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OIG interviewed [REDACTED], NRC Deputy General Counsel, regarding his review of the March 15, 1990, letters to KENNEDY and KOSTMAYER (Exhibit 31). The OIG had obtained routing slips (NRC Form 414) (Exhibit 32) which indicated that the two documents were given to [REDACTED] for review on March 12, 1990. [REDACTED] advised that he would have reviewed the responses for the staff only to see if there was anything that he thought was wrong and also did it contain legal conclusions.

[REDACTED] said that he had not seen a transcript of the WAMPLER DOL hearing and that he had not focused on the issue of whether the WAMPLER settlement agreement was restrictive. When he reviewed the letters to KENNEDY and KOSTMAYER, [REDACTED] said he had not carefully read the WAMPLER settlement agreement. [REDACTED] said that if he had done so, he would have asked if the agreement had been reviewed by the Region I Regional Counsel or other OGC attorneys. [REDACTED] said he had no recollection of having done so.

#### Findings

1. The primary basis for the NRC conclusion concerning the restrictiveness of the settlement agreement was from information supplied by [REDACTED], the attorney for Pullman-Higgins in the WAMPLER matter. Region I did not obtain an independent analysis from their own NRC legal counsel.
2. The review of the NRC response to Senator KENNEDY by the Office of the General Counsel at NRC Headquarters did not include consideration of basic documents needed for a legal review.
3. The representations in the NRC letter to Joseph WAMPLER on March 14, 1990, were inconsistent with the statements in the NRC response to Senator KENNEDY on March 15, 1990. The letter to WAMPLER stated that the NRC believed the language in his settlement agreement could be interpreted to restrict his ability to freely communicate with the NRC. The letter to Senator KENNEDY stated that the agreement did "not prohibit the plaintiff from reporting or discussing his findings regarding radiographic records...."



III A. Background - 100% Review of Weld Radiographs - RUSSELL Memorandum

- A. The RUSSELL memorandum states, "Further, after the alleged departed the site, the licensee performed a 100% check of the radiographs (Enclosure 8, pages 91 and 92)...."

Enclosure 8 refers to NRC Inspection Report (IR) 50-443/90-80 dated February 7, 1990, pages 91 and 92 (Exhibit 33). The inspection report stated, in part, "Also as documented in CAT IR 84-07 and discussed in IR 85-31; the licensee conducted an independent third party review of all RT film stored onsite, whether provided by vendors or shot by site contractors."

Investigative Issues

Did the NRC staff provide incorrect information in the RUSSELL memorandum regarding the 100% review of radiographs following WAMPLER's termination from the Puliman-Higgins Company?

Did NRC Inspection Report 90-80 contain incorrect information with respect to its characterization of information in Inspection Reports 85-31 and 84-07?

Details

The bases for the representations in the RUSSELL memorandum concerning the 100% review were drawn from NRC Inspection Reports 85-31 and 84-07. The relevant language in those documents is listed below. Page 12 of IR 85-31 (Exhibit 34) states, in part:

The inspector discussed the licensee's third party review of non-destructive examinations for different fabricators onsite and also the licensee program for review of radiographic film for vendor supplied welds. The third party review involved a random selection of welds inspected by liquid penetrant, magnetic particle and radiography. The licensee implemented this program until approximately April 1984, when it was discontinued because additional problems were not being found and very little activity requiring NDE remained to be completed.

The inspector also reviewed the results of the licensee's overview of radiographic film for vendor supplied welds. To date, the licensee has performed an overview of virtually all vendor supplied radiographic film. Where problems were found, such as geometric unsharpness failing to meet the ASME Code, radiography was re-performed on site and repairs were made, if necessary.

Page A3 of IR 84-07 (Exhibit 35), states, in part:

In the area of nondestructive examination, the NRC CAT inspectors reviewed samples of radiographic film in final storage in the vault. As the applicant's program does not provide for a review of radiographs by the applicant's NDE organization prior to their storage in the vault, samples of film were selected that had been reviewed by the applicant's organization as well as film that had not been reviewed prior to vault storage. No deficiencies were identified with the radiographs that had received the applicant's review; however, deficiencies were identified by the NRC CAT inspectors with the radiographs which had not been reviewed by the applicant.

Page V-1 of IR 84-07 states,

During the inspection of NDE activities, the NRC Construction Appraisal Team (CAT) Inspectors reviewed samples of radiographic film in final storage in the vault. The NRC CAT inspectors reviewed a sample of film which was reviewed by the applicant's NDE organization as well as film which had not been reviewed prior to vault storage. No significant problems were identified involving film that was reviewed by the applicant's NDE organization. However, several irregularities were identified involving film that had not been reviewed by the applicant.

OIG interviewed [REDACTED] concerning the statement in the RUSSELL memorandum regarding the 100% review of radiographs. He stated that he originated the response. He indicated he did not intend for that statement to be interpreted to mean that the licensee began the 100% review after WAMPLER left the site. [REDACTED] advised that WAMPLER was still reviewing backlogged film at the time he was fired. The 100% check of radiographs was in progress at the time, but not completed until after WAMPLER left. [REDACTED] stated he originally had written that the review was completed after WAMPLER left, but it was actually in progress at the time. He indicated that someone must have felt that his original description was too confusing and shortened the statement. He stated that when a document is run through a concurrence chain, changes are made and "things get blurred." [REDACTED] acknowledged that he could understand how the statement could be interpreted to mean that the 100% review began after WAMPLER departed the site. However he advised that Yankee Atomic Electric Company (YAEC) was performing a 100% review even before WAMPLER was hired. He stated that he obtained that information from an allegation file at the office of the SRI.

OIG interviewed [REDACTED] who advised that he was on annual leave from February 26 through March 2, 1990, and was not involved in the preparation of the RUSSELL memorandum. With respect to the 100% YAEC review, [REDACTED] acknowledged that he knew the statement in the RUSSELL memorandum was not correct. He stated that his interpretation of the memorandum was that the 100% review did not start until WAMPLER departed the site. [REDACTED] stated this was clearly a misstatement because he knew it had occurred earlier. He opined that this misstatement was due to his absence during the preparation of the memorandum and because the individuals who prepared it did not have all the facts.

During the OIG interviews of [REDACTED] and [REDACTED], they were asked about the third party review of randomly selected welds mentioned in IR 85-31. They both advised that it referred to a contractor that YAEC hired to repeat samples of nondestructive examinations. [REDACTED] and [REDACTED] advised that this program was separate from the YAEC radiograph review function. [REDACTED] provided a copy of a YAEC memorandum dated March 2, 1984, (Exhibit 36) which indicates the NDE was performed by Magnaflux Quality Services. This third party reverification was in keeping with YAEC Field Quality Assurance Manual (FQAM) Procedure No. 5, Rev. 1 Section 5 (Exhibit 37) and YAEC Specification Number NDE 1, (Exhibit 38).

OIG interviewed [REDACTED] regarding this issue. [REDACTED] indicated he did not believe he was involved in writing the statement and thought that it was probably compiled by [REDACTED] or [REDACTED] based on inspections at SEABROOK. He indicated that it certainly gave the impression that the licensee began the 100% review after WAMPLER departed the site.

OIG interviewed [REDACTED] regarding the statement in the RUSSELL memorandum and he indicated he did not think he was involved because his knowledge of the 100% review was minimal. [REDACTED] also advised that he had not written the statement referred to in IR 90-80 concerning the independent third party review (page 92). [REDACTED] signed this inspection report, but did not know specifically who wrote that particular section. [REDACTED] advised that [REDACTED] was the person most knowledgeable regarding the 100% review program.

The OIG reviewed the statement in NRC IR 90-80, "Also as documented in CAT IR 84-07 and discussed in IR 85-31; the licensee conducted an independent third party review of all RT film stored on site, whether provided by vendors or shot by site contractors."

OIG reviewed IR 85-31 and determined that it mentions a third party review involving a random selection of welds, but it did not indicate all welds were given a third party review. IR 85-31 also mentions that the licensee performed an overview of

virtually all vendor radiographs, but did not mention on site fabricators. The OIG review of IR 85-31 did not substantiate a 100% review of all safety-related weld radiographs.

The OIG reviewed IR 84-07 and determined that it referred to radiographs in final storage in the vault that had not been reviewed by YAEC. However it did not provide supporting evidence to indicate all film stored on site would be reviewed.

#### Findings

1. YAEC did not begin the 100% review of radiographs after WAMPLER'S termination from the Pullman-Higgins Company. This review of Pullman-Higgins radiographs was already ongoing at the time of WAMPLER'S termination.
2. The report's review and concurrence process for the RUSSELL memorandum was flawed. The inaccuracy regarding the review being conducted after WAMPLER'S departure occurred when the author's draft was altered without his knowledge. The investigation was unable to determine who made that change.
3. Inspection Report 90-80 mischaracterized statements in Inspection Reports 85-31 and 84-07. Contrary to representations in Inspection Report 90-80, these inspection reports do not substantiate that a 100% review of radiographs was conducted by YAEC.

#### III B. Background - 100% Review of Weld Radiographs - Congressman KOSTMAYER

The RUSSELL memorandum stated that after the allegor departed the site the licensee performed a 100% check of the radiographs. The RUSSELL memorandum based this representation in part on Inspection Report 84-07.

On March 7, 1990, Congressman KOSTMAYER wrote a letter to Chairman CARR (Exhibit 3). He asked the NRC to explain what portion of IR 84-07 supported the 100% radiograph review claimed in the RUSSELL memorandum.

In a March 15, 1990 letter (Exhibit 5) to Congressman KOSTMAYER, the NRC responded to the question involving IR 84-07 by stating the following:

The program and procedures [100% review] described in the answer... were in place and in use at the time of Construction Appraisal Team (CAT) inspection.... Section V of that report is quoted below:

'During the inspection of NDE activities, the NRC CAT inspectors reviewed samples of radiographic film in final storage in the vault. The NRC CAT inspectors reviewed a sample of film which was reviewed by the applicant's NDE organization as well as film which had not been reviewed prior to vault storage. No significant problems were identified involving film that was reviewed by the applicant's NDE organization. However, several irregularities were identified involving film that had not been reviewed by the applicant.'

If the film in which the irregularities were identified by the CAT inspectors had been final accepted radiographs, enforcement actions would have been pursued. Instead, the CAT inspectors recognized that the licensee's program required the noted YAEC review of all safety-related vendor and site generated radiographs. In documenting the difference between the radiographic film which had been reviewed by the applicant and that which had not, the CAT inspectors specifically highlighted the fact that the radiographic review process would have represented a regulatory concern had it not been for the applicant's review process. Hence, this area of inspection was not listed as one where either potential enforcement actions or significant weaknesses were identified.

#### Investigative Issues

Did the NRC response to Congressman KOSTMAYER justify how Inspection Report 84-07 supported the RUSSELL memorandum's claim of a 100% review by YAEC?

#### Details

[REDACTED], a self employed NDE Level III examiner who was a contract member of the NRC CAT Inspection Team during IR 84-07 (Exhibit 40), advised that the team leader for this inspection was [REDACTED]. [REDACTED] indicated that he reviewed radiographic film packages during the inspection and documented his review in a draft report for the team leader.

In a subsequent telephonic interview, [REDACTED] related that he had located a copy of his rough draft dated May 31, 1984, regarding IR 84-07 (Exhibit 41). [REDACTED] recalled that with respect to Pullman-Higgins radiographs, problems were discovered in only those radiographs not reviewed by YAEC. The conclusion of [REDACTED] draft report states, "The CAT inspector feels that, due to the numerous findings on radiographs that have not received YAEC review, there is a need to continue a 100% overview program on contractor and vendor film." With respect to YAEC

procedures, [REDACTED] finding was, "The procedures do not specify the amount of time the 100% contractor review will continue or any intent to perform a vendor review."

[REDACTED], former Team Leader for NDE during Inspection 84-07, was interviewed by the OIG (Exhibit 42). [REDACTED] advised that he was not contacted by the NRC staff in response to the KOSTMAYER questions regarding IR 84-07. He indicated that at the time of the inspection, he believed that YAEC was reviewing only 10% of the final radiographs of vendors and site contractors, including Pullman-Higgins. According to [REDACTED], YAEC was not doing a 100% review of the weld radiographs that had been reviewed and approved by Pullman-Higgins. [REDACTED] advised that the licensee was told during the inspection that because of the number of deficiencies found by the NRC inspectors, the licensee would have to review all film. [REDACTED] said the licensee committed to do a 100% review of all radiographs and this was the reason for not taking enforcement action as a result of IR 84-07. He also advised that after this inspection, YAEC came out with a formal procedure to review all safety-related weld radiographs.

OIG interviewed [REDACTED], NRC Region I, who was a member of the CAT inspection team that conducted IR 84-07. [REDACTED] advised that he was not involved in the preparation of the response to Congressman KOSTMAYER's question. [REDACTED] said that at the time of CAT Inspection 84-07, he was not made aware of the 100% review by YAEC. He did not learn about the 100% review until [REDACTED], a YAEC NDE Level II informed him one to three years after IR 84-07 was completed.

[REDACTED] was interviewed and stated that he was familiar with the language contained in IR 84-07 because he used it in responding to the questions from KENNEDY and KOSTMAYER. [REDACTED] advised that it was his understanding that the vendor film which came in with welded components had not been reviewed by YAEC during the time frame of inspection 84-07, but was stored in the vault.

[REDACTED] acknowledged that he did not become aware of the YAEC 100% review of Pullman-Higgins radiographs until sometime in 1983 after the "[REDACTED] incident" (referring to the Pullman-Higgins NDE technician convicted of falsifying records). He indicated it was at this time that someone probably told him the licensee was reviewing all the contractor radiographs. In response to the question of why the 100% review was not clearly stated in an NRC inspection report, [REDACTED] said that inspection reports normally highlight problems and it was not necessary to document this review in an inspection report.

OIG interviewed [REDACTED], YAEC Quality Assurance Engineer, NDE Level II (Exhibit 45). He advised that he was employed by

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YAEC since March 1980 and had been involved in the review of weld radiographs. [REDACTED] was asked to explain the YAEC procedure used from 1980 through 1984 at SEABROOK. [REDACTED] stated he was told to review all radiographs of safety-related welds. He indicated at that time there was no formal YAEC procedure which required a 100% review, but it was done as part of the surveillance program. [REDACTED] recalled that when on site welding commenced, YAEC looked at all radiographs in an effort to gain confidence in the Pullman-Higgins program so that they could review at a lower percentage. He indicated that this confidence level was never achieved which required continuing the review at the 100% level.

[REDACTED] advised that vendor supplied film was stored in the vault. He indicated when they accepted this film it had not as yet been reviewed by YAEC. He recalled that from 1983 through 1985 that film was pulled out of the vault, and a review done on all the safety-related radiographs in the system. He indicated that he was not sure if anyone at YAEC had told the NRC inspectors about the 100% review during the course of IR 84-07.

OIG interviewed [REDACTED] YAEC Lead Quality Assurance Engineer responsible for Quality Assurance and Quality Control at SEABROOK from 1981 through 1987 (Exhibit 47). [REDACTED] explained that from 1980 through 1983, the YAEC 100% review was conducted under a surveillance program. He indicated that YAEC never got into a sampling mode because the results of the review required them to continue at 100%. With respect to why YAEC formalized their procedure of the 100% review in 1984, [REDACTED] acknowledged that it was his decision to formalize the procedure. He indicated that he did not know what precipitated this decision.

The NRC response to Congressman KOSTMAYER stated that YAEC had a formal procedure in place to conduct a 100% review of all safety-related weld radiographs at the time of Inspection 84-07. The response identified the YAEC formal procedure as being Quality Engineering Group (QEG) NDE Review Group Procedure #5 - Rev. 0. dated May 14, 1984 (Procedure 5).

The OIG examined IR 84-07 and determined that the inspection was conducted between April 23 through May 4, 1984, and May 14 through May 25, 1984. The OIG reviewed Procedure 5 and determined that it did not specify a review of all safety-related weld radiographs. On July 5, 1984, this procedure was revised (Exhibit 37). The revision called for a review of all safety-related weld radiographs.

OIG interviewed [REDACTED], Director of Quality Programs, New Hampshire Yankee (NHY) on September 26, 1991 (Exhibit 52). [REDACTED] indicated that YAEC did not have a written procedure to review all safety-related radiographs until the July 5, 1984, Procedure 5 revision. This revision occurred after the completion of Inspection 84-07.

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Findings

1. The OIG investigation determined that Inspection Report 84-07 did not support the NRC's representation to Congressman KOSTMAYER about the 100% review of all safety-related weld radiographs.
2. Contrary to the NRC's response to Congressman KOSTMAYER, the OIG investigation found that during NRC Inspection 84-07, YAEC did not have a written procedure that required the review of all safety-related vendor and site generated radiographs.



IV. Background - Joseph WAMPLER'S 16 Nonconformance Reports

On January 3, 1984, Joseph WAMPLER, an NDE Level III for the Pullman-Higgins Company at SEABROOK, was fired allegedly for improper conduct and causing dissension between management and technicians.

On January 6, 1984, WAMPLER telephoned [REDACTED]. [REDACTED] prepared a summary (Exhibit 53) of the conversation which categorized WAMPLER's allegations as:

1. He feels he was terminated from his position by Pullman-Higgins (P-H) management on 1/3/84 for officially raising radiation safety concerns, verbally and in writing, to P-H management personnel on 12/28/83. He feels it was his responsibility as the Radiation Safety Officer to raise these concerns.
2. The specific concerns that Mr. Wampler raised involved alleged violations of NRC, State & site rules (eg: 10 CFR, Part 34) regarding access to radiographic areas. He stated he had documented evidence of unauthorized entry into a radiation area with the radiography source exposed and without the radiographer-in-charge's permission. This alleged entry was made by a [REDACTED], the P-H third shift NDE supervisor. Mr. Wampler also alleges that [REDACTED], a QC Supervisor, also has verbally admitted to crossing radiation boundaries without the radiographer-in-charge's permission. Mr. Wampler also indicates he has in his possession a letter, addressed to the NRC and signed by 8 NDE technicians, complaining of the alleged violations of radiation boundaries by [REDACTED]. When asked, Mr. Wampler indicated that he did not know of any overexposures as a result of these alleged violations.

[REDACTED]'s documentation of that January 6, 1984, telephone call also lists under additional concerns and statements made by WAMPLER the following: "At the time of termination Mr. Wampler had approximately 16 nonconformance reports to write. He doesn't know how these would now be handled."

In a January 10, 1984, memorandum, [REDACTED], Region I Acting Office Allegation Coordinator, (Exhibit 54) indicated that the allegor (WAMPLER) should be informed by letter that his concerns about the unwritten nonconformance reports would be reviewed during the next routine inspection at SEABROOK.

In a January 12, 1984, memorandum from [redacted] Chief, Reactor Projects Section 2A to Joseph WAMPLER (Exhibit 55), [redacted] stated, "Your additional concern regarding the completion of approximately 16 nonconformance reports that were in preparation at the time of your termination will be reviewed by this office during a routine NRC Region I inspection at the SEABROOK site."

In his March 7, 1990, letter to Chairman CARR, Congressman KOSTMAYER asked "Was a review of Wampler's 16 incomplete NCRs conducted? If not, why not? Why did Seabrook IR 83-22 not mention the 16 incomplete NCRs which NRC officials, during the period covered by IR 83-22, had stated would be the subject of the review?" The NRC responded in part to this question as follows:

It was the staff's intent to review his concern regarding the tracking and closure process for incomplete work remaining when he left. The inspector examined two nonconformance reports that Mr. Wampler had previously written along with other in process records to ensure that the turnover process was properly controlled and nothing had been overlooked. Mr. Wampler had made no allegation of wrongdoing to the NRC regarding the radiographic process. In fact, the NRC has never received an allegation from Mr. Wampler regarding adequacy of the radiographic process or installed equipment. The inspector concluded from his review that Mr. Wampler's concerns were adequately addressed.

The reason for not mentioning 16 nonconformance reports in the NRC's inspection report or anything that might implicate Mr. Wampler was the fact that he requested that NRC not notify Pullman-Higgins of his contact with the NRC. This is documented in the inspector's telephone report of January 5, 1984. Further, it is not NRC policy to use individuals' names or unnecessarily expose them during inspections. The inspection was performed as though the staff were concerned about the details of the turnover process and continuity between Level III examiners.

#### Investigative Issues

Did the NRC take appropriate action to assure that the Pullman-Higgin's Company properly dispositioned 16 potential non-conformance reports being prepared by Joseph WAMPLER at the time of his termination?

Details

On April 24, 1990, WAMPLER was interviewed by the NRC staff (Exhibit 56). He was questioned about the 16 matters he identified as potential NCRs and stated,

Two of them were done. The rest of them were in a cubbyhole for review to be written. They had all the paperwork I mean, there were notes on them that said, 'This one we need an NCR for this, this and this.' I don't know what happened. I never logged them in, and I probably should have. I didn't know I was going to be leaving.

WAMPLER indicated that one of the NCRs he wrote concerned a welding issue involving an eight inch lack of fusion which the NRC staff was aware of and the second concerned the rejection of previously acceptable film. WAMPLER indicated he intended to write NCRs on the others rather than repair orders because, "There was something about these, you know, either misalignment, or excessive lack of fusion, ... I don't remember all the criteria that they set up that required you to write the NCR." He indicated at the time of the interview he could no longer identify what welds required an NCR because he never logged them in. With respect to the turnover of this information he recalled the information was sitting in an office "pigeon hole."

On September 10, 1990, OIG interviewed Joseph WAMPLER (Exhibit 57). During this interview, WAMPLER recalled that the day he was fired he went to [REDACTED]'s office and left a note indicating he had problems, but he did not describe them in the note. He further indicated that after he was fired, he called [REDACTED] but was unable to reach him and left messages on his ([REDACTED]) answering machine. WAMPLER indicated that when [REDACTED] finally contacted him, he had already retained an attorney who told him not to talk with the NRC. WAMPLER related that he could not recall having a conversation with [REDACTED] regarding the 16 NCRs.

The OIG interviewed [REDACTED] regarding this issue. He indicated that when he wrote the report of his telephone conversation with WAMPLER it was clear to him that there were two allegations. He recalled that one allegation concerned crossing radiation safety boundaries and the other was a whistleblower complaint about WAMPLER being fired for raising those safety concerns. [REDACTED] advised that WAMPLER's statement about the 16 NCRs was not an allegation. He explained that an allegation is a statement of wrongdoing and WAMPLER never expressed wrongdoing concerns with regard to the 16 NCRs. [REDACTED] advised it would not have been unusual for WAMPLER to be writing NCRs and that he never perceived this concern as a mistrust of Pullman-Higgins management or that they planned to "sweep an NCR concern under the rug." [REDACTED] indicated he was told by Region I management to

"figure out what happened to these 16 NCRs." [redacted] indicated his focus was not on the quality aspects of the NCRs but on WAMPLER's concern that the NCRs had been properly handled.

[redacted] referred to Combined Inspection Reports 83-22 and 83-15, dated February 17, 1984 (Exhibit 58). He advised that when he examined the records at Pullman-Higgins, he found two NCRs that WAMPLER had written. He recalled conversations with [redacted], the Pullman-Higgins Field Quality Assurance Manager and [redacted], the First Shift NDE Supervisor. [redacted] recalled spending a few hours at Pullman-Higgins and being satisfied that the transfer of functions would be properly handled and "When the new Level III came in, he would handle everything that hadn't been signed off by the old Level III."

On July 23, 1991, the OIG interviewed [redacted], Chief Operator Licensing Branch, NRR, regarding his letter to WAMPLER dated January 12, 1984, and the NRC handling of the 16 NCRs (Exhibit 59). [redacted] stated that it was his impression that the 16 NCRs were mentioned more as an afterthought and that the allegations made by WAMPLER concerned safety violations related to overexposure of radiation. He indicated that WAMPLER mentioned no safety concerns regarding welding. [redacted] admitted the NRC did not specifically identify the 16 NCRs that WAMPLER said needed to be written but did determine a system of records turnover was in place at Pullman-Higgins. He continued that he was satisfied with the way this was handled because it was not an allegation or a safety concern.

OIG reviewed Combined Inspection Reports 83-22 and 83-15 pages four and five, dated February 17, 1984, which stated:

The inspector examined the coordination being effected to transfer functions, records, and any existing open items which need to be tracked. He interviewed the P-H Field QA Manager and the new 1st Shift NDE Supervisor and spot-checked the in-process records of the departing NDE Level III technician. The new Level III reported to the site on January 20, 1984. The inspector also reviewed the P-H nonconformance report log and determined that the last two NCRs (5689 & 5773) initiated by the departed Level III had been properly tracked and were already dispositioned.

#### Findings

The OIG investigation determined that the NRC did not identify 14 of the 16 potential NCRs mentioned by WAMPLER. NRC personnel made the decision to focus instead on the records turnover process following WAMPLER's termination which should have included NCRs being processed. SCRI [redacted] explained that his reason for this decision was the existence of an NRC policy not

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to disclose an alleged's identity. The information concerning the 16 NCRs was of a singular nature and would have identified WAMPLER. During this period ██████████ had been told by WAMPLER not to inform Pullman-Higgins of his contact with the NRC. ██████████ efforts during Inspections 83-22 and 83-15 to review the records turnover process were in response to concerns raised by WAMPLER about the 16 NCRs.

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V. Background - The Informal Return of Radiographs

During the OIG interview of Joseph WAMPLER on September 10, 1990, he alleged there were informal returns of radiograph packages from YAEC to Pullman-Higgins. By this WAMPLER meant that YAEC was returning radiograph packages to Pullman-Higgins without appropriate documentation. WAMPLER indicated that in November 1983, he was rejecting 20% of Pullman-Higgins radiographic packages and that [REDACTED] at YAEC was rejecting 19% to 20% of the radiographs that had been sent to him by Pullman-Higgins. WAMPLER advised that [REDACTED] would return these packages to him without documenting the fact that YAEC had rejected them. WAMPLER stated, "Then eventually it went to just a little memo that says what numbers he was bringing back and that's the last I saw." WAMPLER indicated that [REDACTED] was rejecting the radiographs for a myriad of problems including film, paperwork and weld repairs. WAMPLER advised that the film that was being returned was film that had been approved by Pullman-Higgins personnel and sent to YAEC. WAMPLER stated that [REDACTED] of YAEC was aware of the informal returns as were Pullman-Higgins supervisors [REDACTED] and [REDACTED].

Investigative Issues

Would an informal system of returns constitute a violation of 10 CFR 50, Appendix B? Did YAEC informally return radiographs to Pullman-Higgins for corrective action? Was the NRC aware of YAEC's informal return of rejected weld radiographs to the Pullman-Higgins Company?

Details

OIG interviewed [REDACTED], Deputy Executive Director for Nuclear Reactor Regulation, Regional Operations and Research (Exhibit 62). [REDACTED] was questioned regarding the process of informal returns of weld radiograph packages. [REDACTED] indicated that informal undocumented returns of radiograph packages would constitute a violation of 10 CFR 50, Appendix B.

[REDACTED] discussed the safety significance of informal returns. He indicated that if a licensee did not have other methods to identify deficiencies, the practice of informally returning radiographs could result in a safety problem.

[REDACTED] then discussed the work of the 1990 NRC Independent Review Team (IRT) at SEABROOK. [REDACTED] said the IRT did uncover 10 CFR 50, Appendix B violations, but their primary task was to assure weld safety at SEABROOK. As a result they did not list the violations of Appendix B in the IRT report NUREG-1425.

[REDACTED] was questioned concerning why inspections at SEABROOK in the 1980s did not identify more of the problems. He indicated

that NRC inspections did identify some Appendix B problems and Notices of Violation were issued. [REDACTED] provided a perspective regarding the NRC inspection program. He stated that in 1974 for plants under construction the NRC had less than one person per year assigned and budgeted. He recalled that by 1984 they probably had one resident inspector budgeted.

[REDACTED], YAEC Quality Assurance Engineer, was interviewed and advised he could not recall an informal return of radiographic film between YAEC and Pullman-Higgins. He indicated there were times when he or members of his staff were in the Pullman-Higgins viewing area and would be requested to look at film which had not been officially submitted to YAEC for review. He advised they would give an interpretation, but he claimed the intent of the program was that the film would be sent to YAEC in a formal manner for review and acceptance. [REDACTED] also acknowledged that sometimes after he reviewed one or two weld packages he would identify routine Pullman-Higgins paperwork problems. He stated that in this example he may return the entire batch of radiographs without identifying specific problems on a DR for each of the submitted packages. [REDACTED] indicated he did not consider these actions as constituting an informal return of radiographs. [REDACTED] stated that when his review identified deficiencies the radiographs would be sent back to Pullman-Higgins and documented in a Deficiency Report (DR).

[REDACTED] was questioned about a statement in NRC NUREG-1425, page 2-2, that states, "from the start of the piping fabrication and NDE processes to about mid-1982, Pullman-Higgins pipe weld film packages found unacceptable during YAEC review of film for acceptance were informally returned to Pullman-Higgins for correction." [REDACTED] indicated he could not recall talking with the NRC Independent Review Team (IRT) that prepared NUREG-1425 about informally returning radiographs to Pullman-Higgins other than the method he previously discussed.

OTG interviewed [REDACTED], YAEC Senior Quality Assurance Engineer, NDE Level III (Exhibit 46). He advised that he was involved in the YAEC Headquarters audit program and only became involved in reviewing radiographs when he was required to make a determination as to whether a questionable radiograph was acceptable. He indicated he was not sure how YAEC returned deficiencies to Pullman-Higgins. [REDACTED] stated that he could not recall any type of informal return of radiographs to Pullman-Higgins by YAEC.

[REDACTED] YAEC Quality Assurance Manager, was interviewed and indicated there was an informal return of radiographs. He advised that the Pullman-Higgins radiographic viewing station was initially located a number of blocks from YAEC's location. In order to expedite the process of film review, correction and vault storage, the YAEC and Pullman-Higgins reviewers were

subsequently co-located. [redacted] explained that sometimes a minor problem was identified in the paperwork and it would be returned informally. [redacted] also recalled that when YAEC was doing its surveillance, YAEC reviewers would go into the Pullman-Higgins viewing room and when minor problems surfaced, the radiographs would be informally returned to Pullman-Higgins. [redacted] admitted that in each of these circumstances, the radiographs may have already been approved by Pullman-Higgins. [redacted] advised that he was confident that all serious problems with radiographic film were documented.

With respect to the statement in NUREG-1425, page 2-2, regarding the informal return of radiographs, [redacted] advised that the NRC IRT was referring to the early YAEC surveillance process conducted in the Pullman-Higgins viewing facility. [redacted] advised, however, that he was not aware of a situation where approved Pullman-Higgins film was sent to YAEC for review and it was returned informally without writing up a deficiency report.

OIG interviewed [redacted], former Quality Assurance Manager for Pullman-Higgins at SEABROOK from June 1978 until February 1986 (Exhibit 60). [redacted] stated that he could not recall a conversation with WAMPLER concerning the informal return of radiographs to Pullman-Higgins by YAEC. He indicated that he could not recall any particular instance of informal returns, but based on his experience, would not be surprised if it occurred. [redacted] said that he could not recall WAMPLER ever complaining about informal returns.

OIG interviewed [redacted], former Assistant Quality Assurance Manager with Pullman-Higgins at SEABROOK from January 1980 to June 1986 (Exhibit 61). [redacted] stated that he could not recall WAMPLER ever expressing a concern regarding YAEC informally returning radiographs to him (WAMPLER). [redacted] also advised that if a weld had been rejected for a quality problem, then that weld would probably have been documented by YAEC. He stated that the program required that if YAEC found something wrong with a weld and sent it back to Pullman-Higgins, that weld would require a nonconformance report (NCR) in order to go through a repair cycle and be corrected.

OIG interviewed [redacted], a former NDE Level II examiner employed by Pullman-Higgins at SEABROOK during WAMPLER's period of employment (Exhibit 50). [redacted] advised that when YAEC had a problem with an approved Pullman-Higgins radiograph package, they would either call him over to YAEC or bring the package back to discuss it. He indicated that if YAEC did not agree with his interpretation and the weld had to be reradiographed, YAEC would leave the package with him. He disclosed that Pullman-Higgins had a document transmittal system and that YAEC had basically the same system. [redacted] recalled that if YAEC identified minor



paperwork errors, he would go over to YAEC and correct the problem and it would not be documented as a deficiency.

OIG interviewed [REDACTED], the former NDE Level III radiographic interpreter employed by Pullman-Higgins following WAMPLER's termination (Exhibit 48). [REDACTED] related that when [REDACTED] found problems with approved Pullman-Higgins film, there was a formalized transmittal returning the packages to Pullman-Higgins including documentation which indicated the reasons for not accepting the packages. [REDACTED] recalled at least one occasion when he and [REDACTED] had an argument over film density and what was considered acceptable. [REDACTED] related that in this case they transmitted the packages back informally so that it did not reflect that Pullman-Higgins was trying to submit a film. [REDACTED] said that in his opinion this film had already met the code.

[REDACTED] was interviewed regarding his knowledge of informal returns as described by WAMPLER. [REDACTED] explained at the time when it would have occurred, he was not aware of it. With respect to WAMPLER's assertion that film was returned without documentation, [REDACTED] stated, "I know Joe Wampler said that. I know [REDACTED] said it didn't happen. I have no knowledge one way or another. I couldn't corroborate either story."

#### Findings

1. The investigation determined that in various ways, YAEC was informally returning radiograph packages to Pullman-Higgins.
2. The practice of informally returning radiographs without documentation is a violation of 10 CFR 50, Appendix B.
3. The investigation did not develop any evidence to indicate the NRC was aware of this practice during the period of construction.

VI. Background - Construction Deficiency Reporting Requirements

Subpart 10 CFR 50.55(e) imposes a reporting requirement on construction permit (CP) holders. They are to report each deficiency found in design and construction; which if it were to have remained uncorrected could have adversely affected the safety of operations of the nuclear facility at any time throughout the expected lifetime of the plant.

On April 24, 1990, Joseph WAMPLER was interviewed by the NRC Independent Review Team. He related that on November 22, 1983, he attended a meeting with YAEC employees [REDACTED] and [REDACTED] (Exhibit 63) concerning YAEC's reject rate of approximately 19%. According to WAMPLER's account, [REDACTED] and [REDACTED] indicated that YAEC was going to issue a 50.55(e) report because of concerns about the high weld reject rate and unreviewed radiographs being stored in final vault storage.

WAMPLER also advised that film quality was a big concern of YAEC and that they issued several deficiency reports (DRs) addressing the lack of film quality. Specifically DR 527 was issued by YAEC on December 7, 1983, after a review of 184 Pullman-Higgins radiography packages that found numerous deficiencies. YAEC indicated that these film packages were completed in late 1982 and 1983 and signed off by numerous Pullman-Higgins Level IIIs yet the deficiencies were not identified or corrected. In response to DR 527, Pullman-Higgins was requested to provide corrective action and to determine what measures needed to be implemented to prevent a recurrence. On December 7, 1983, DR 527 was initially identified as a condition which required reporting to the NRC in accordance with 10 CFR 50.55(e).

Investigative Issues

Was Joseph WAMPLER'S allegation correct that YAEC decided to issue a 10 CFR 50.55(e) report regarding high radiograph reject rates and then failed to do so?

Details

During WAMPLER'S interview with the OIG he was questioned about his November 22, 1983, conversation with [REDACTED] and [REDACTED]. He stated that [REDACTED] told him YAEC was rejecting 19% of Pullman-Higgins radiographs. WAMPLER indicated that [REDACTED] stated that he wanted to write a 50.55(e) report. He further recalled that after his meeting with [REDACTED] and [REDACTED] he had no further conversations with them regarding the issuance of a 50.55(e) report.

OIG interviewed [REDACTED] who advised he could not recall a specific meeting with WAMPLER and [REDACTED] on November 22, 1983. [REDACTED] recalled conversations with WAMPLER regarding reject rates, but

indicated he could not remember a conversation of potential reportability in accordance with 10 CFR 50.55(e) because he would have expected WAMPLER to take up that issue with Pullman-Higgins management.

██████████ was questioned concerning conditions that require 10 CFR 50.55(e) reporting, specifically with respect to DR 527 as it had been marked for reportability. He stated that if a condition had an effect on safety and is significantly repetitive, then it should be initially identified as potentially reportable. At that point there would be an engineering evaluation, and higher management would make a final determination regarding reportability. He advised that he was never in a position to make the final determination on what was required by 10 CFR 50.55(e). He would identify the deficiencies on a DR and it would be sent to a supervisor for a final decision. He opined that DR 527 should not have been identified as a potential 50.55(e) condition. He believed this was a mistake made by an individual substituting for quality assurance engineer ██████████

OIG interviewed ██████████ who advised that he had very little interaction with WAMPLER and that he could not now recall the content of those meetings. ██████████ could not recall any discussion with WAMPLER on the need to file a 10 CFR 50.55(e) report. He also could not recall WAMPLER talking about the Pullman-Higgins backlog or his reject rate or any complaints about the welding process.

OIG interviewed ██████████ a former YAEC field construction quality assurance engineer (Exhibit 65). ██████████ acknowledged that he was the individual that reviewed DR 527 while substituting for ██████████. He indicated that initially he did not feel it was a potential condition requiring a 50.55(e) notification and marked the DR indicating that reporting was not required. He advised that he then had conversations with other YAEC employees and felt less sure of his original decision. ██████████ could not recall the identities of these individuals. ██████████ advised that his expertise was in the area of electrical instrumentation and control and that he was not certified by the American Society for Nondestructive Testing (ASNT). He related that because he was unsure of how DR 527 should be handled, he decided to take the conservative approach and changed his original decision and marked the DR as a potential 50.55(e) condition. ██████████ advised that he knew his decision would be reviewed by YAEC Headquarters and a final decision made at that level of management. He recalled that YAEC Headquarters did not consider DR 527 to be reportable under 50.55(e). ██████████ stated, "I feel that I jumped the gun and took too conservative a position."

The OIG interviewed ██████████, former Pullman-Higgins Assistant Quality Assurance Manager at SEABROOK from 1981 to 1985

(Exhibit 64). ██████████ advised that he could not recall WAMPLER advising him of a meeting with ██████████ and ██████████ about YAEC's issuance of a 50.55(e) notification. With respect to the type of rejects that were occurring during WAMPLER's period of employment, ██████████ indicated it was a combination of film quality and clerical errors with a very small percentage of welding problems.

OIG interviewed ██████████, former Pullman-Higgins Quality Assurance Manager. ██████████ did not recall being told of a meeting between WAMPLER, ██████████ and ██████████ concerning a 50.55(e) notification. He advised that with respect to Pullman-Higgins he could not recall a weld radiography or weld reject condition that would have warranted issuing a 50.55(e) report.

OIG interviewed ██████████, former Pullman-Higgins Assistant Quality Assurance Manager. He disclosed that he could not recall WAMPLER ever advising him that YAEC was rejecting radiographs at a 19% rate. ██████████ could not imagine that ██████████ was rejecting at that rate unless it was paperwork problems as opposed to weld problems. ██████████ could not recall any conversations with WAMPLER, ██████████ concerning issuing a 50.55(e) notification.

OIG interviewed ██████████, YAEC Quality Assurance Engineer, with respect to DR 527 (Exhibit 43). ██████████ reviewed DR 527 and indicated that he could not recall any potential 50.55(e) conditions at SEABROOK.

OIG interviewed ██████████, YAEC Quality Assurance Manager with respect to DR 527. He indicated that DRs which would be marked as reportable under 50.55(e) would be forwarded to him for determination. ██████████ did not recall reviewing DR 527 in 1983. He advised that he did not consider the deficiencies in DR 527 to be reportable pursuant to the provisions of 10 CFR 50.55(e). He stated that one of his functions was to make a decision whether the DR met the standard of reportability from a quality assurance standpoint and that the safety significance would be determined by the YAEC engineering organization.

██████████ advised that he was not aware of a meeting in November 1983 involving WAMPLER, ██████████ and ██████████. ██████████ stated that he was familiar with a 20% reject rate of radiography packages by YAEC that were returned to Pullman-Higgins for further evaluation, but he was not sure of the exact time frame of that reject rate. He recalled that the reject rate was discovered because YAEC was conducting their review function and identifying problems. ██████████ advised that ██████████ and ██████████ never came to him in November 1983, to tell him that a 50.55(e) notification was required because of YAEC's reject rate. He also stated that to his knowledge, the NRC resident inspector was not made aware of YAEC's reject rate, "We were following the provisions of our

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program and assuring that we had good radiographic film and quality records to support the installation that was being done."

OIG interviewed ██████████ regarding this issue. ██████████ stated that he was never told by WAMPLER, ██████████ or ██████████ that a 50.55(e) notification needed to be made because of the high reject rate of radiographs by EAEC.

Findings

-The C ; investigation found no evidence to substantiate WAMPLER's allegation.

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# Congress of the United States

House of Representatives

Washington, DC 20515

January 29, 1992

Mr. Ivan Selin  
Chairman  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Chairman Selin:

We are writing to express our serious concerns regarding the conduct of the NRC staff in its handling of Congressional inquiries into the welding program at Seabrook.

As you know, the actions of the staff in this matter are the subject of a report referred to you recently (Case No. 90-31H) by the Office of the Inspector General. It is our understanding that you have referred the report to the staff with instructions to report back to the Commission.

We consider the Inspector General's findings shocking and deeply troubling. The IG's report describes numerous instances in which the NRC staff provided information to Congress that was both misleading and inaccurate. In at least one case, when the staff was called upon to assure Congress of the safety of the welds at Seabrook prior to plant licensing, the provision of inaccurate information suggests the intention to ram through the license without regard to legitimate safety concerns raised by Members of Congress.

As Commissioners, you must know that providing accurate, complete and timely answers to Congressional inquiries is among the most important of your duties. The failure to do so destroys the foundation of trust between the Commission and Congress and calls into question the NRC's ability and willingness to carry out its fundamental mission to protect the public health and safety.

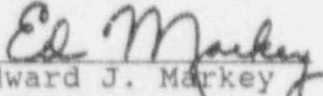
In light of the Inspector General's report, we would like to know 1) what specific action the Commission has taken or plans to take to discipline those individuals who misled Congress, and 2) what generic action you are taking to make all employees aware of the need for total candor and cooperation with Congressional oversight committees.

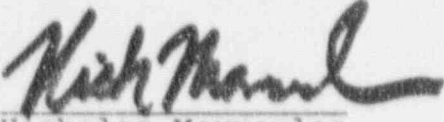
We request that you respond to these concerns by the close of business on Tuesday, February 18th, so that the matter may be discussed at the House Interior Committee's Subcommittee on

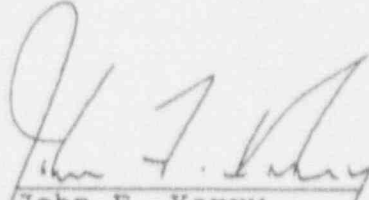
Chairman Ivan Selin  
January 29, 1992  
Page 2


Energy and Environment hearing on February 19th. If you have any questions regarding this request, please contact Kristan Van Hook at 225-2836. Thank you for your cooperation.

Sincerely,

  
Edward J. Markey  
Member of Congress

  
Nicholas Mavroules  
Member of Congress

  
John F. Kerry  
Member of Congress

  
Edward M. Kennedy  
Member of Congress

cc: Kenneth C. Rogers  
James R. Curtiss  
Forrest J. Remick  
E. Gail de Planque