



REPORT OF INVESTIGATION

TITLE: CATAWBA NUCLEAR POWER STATION --
REVIEW OF NRC HANDLING OF ALLEGATIONS

PREPARED BY: *George A. Mulley, Jr.*
George A. Mulley, Jr.
Investigator, OIA

DATE: May 22, 1984

APPROVED BY: *Hollis Bowers*
Hollis Bowers
Assistant Director
for Investigations, OIA

DATE: May 22, 1984

George H. Messenger
George H. Messenger
Acting Director, OIA

**OFFICE OF INSPECTOR & AUDITOR
U.S. NUCLEAR REGULATORY COMMISSION**

8410190379 840522
PDR ADOCK 05000413
Q PDR

FREEDOM OF INFORMATION/PRIVACY ACT EXEMPTION b(5)(7)(c)

OFFICIAL USE ONLY

15

Background

In an April 21, 1983, letter (Attachment 1) to Messrs. Benjamin (sic) Hayes, Director, Office of Investigations (OI), U.S. Nuclear Regulatory Commission (NRC), and James O'Reilly, Regional Administrator, Region II, Atlanta, Georgia, [REDACTED]

[REDACTED], Government Accountability Project (GAP), Institute for Policy Studies, questioned NRC's handling of problems pertaining to the Catawba Nuclear Power Station (NPS) that were brought to the attention of the resident inspector and Region II inspectors and investigators. The GAP letter was prepared as a result of a request from Palmetto Alliance, a citizens group in South Carolina, to assist in their investigation of quality assurance (QA) and quality control (QC) procedures being employed by the Duke Power Company (DPC) during the construction of the Catawba NPS. Of particular concern to GAP was Region II's handling of allegations brought to the attention of Region II in January 1982 by a number of QC welding inspectors at Catawba.

By memorandum dated April 29, 1983 (Attachment 2), Hayes provided James J. Cummings, Director, Office of Inspector and Auditor (OIA), with a copy of the April 21, 1983, GAP letter because the thrust of [REDACTED] assertions was that Region II did not do a sufficiently thorough job of investigating QC inspector complaints at Catawba. Inasmuch as the primary concerns of GAP were whether Region II performed adequately in the handling of the allegations, this matter was within the purview of OIA.

In a letter dated September 14, 1983, to the Commission (Attachment 3), GAP requested the Commission modify the Catawba Construction Permit as a result of a significant QA/QC breakdown at Catawba, and the failure of NRC Region II staff to take appropriate action to determine the extent of the QA breakdown. In support of the request, GAP provided illustrative examples of NRC's mis-handling of allegations of QA/QC breakdown at Catawba. OIA's review of the information provided by GAP in the September 14, 1983, letter, determined the following five specific allegations to be appropriate for investigation by OIA:

- In October 1980, Mr. George F. Maxwell, the Catawba Resident Inspector, breached the confidentiality of [REDACTED] QC welding inspectors when he informed [REDACTED] the then [REDACTED] Catawba, that welding inspectors were bringing problems to him and were documenting deficiencies in personal notebooks.
- Mr. Peter K. Van Doorn, the NRC Resident Inspector at Catawba since February 1981, failed to acknowledge the seriousness of the problems at Catawba. Van Doorn learned of the QC problems at Catawba in February 1981; however, he did not react to the warnings from QC inspectors of major QA problems at Catawba until February 1982 and did not refer the concerns of the QC inspectors to the Region II personnel responsible for investigating deliberate utility wrongdoing.
- On December 20, 1982, Van Doorn violated the confidence of Catawba workers when he provided [REDACTED] notes of interviews conducted by Van Doorn during an inspection of QC welding inspectors concerns.

- On December 20, 1982, Van Doorn violated NRC policy regarding the release of draft information to licensees when he provided [REDACTED] with notes of interviews conducted by Van Doorn during an inspection of QC welding inspector's concerns.
- The Region II Administrator did not force DPC to bring the Catawba construction project into compliance with 10 CFR requirements in that it was not until 1982 that DPC implemented its 1974 commitment to split the QA function from Construction and Engineering. Additionally, the Region II Administrator did not respond to allegations of harassment, intimidation, and falsification of records brought to his attention by the Catawba Resident Inspector.

On April 29, 1983, OIA initiated an investigation into the specific concerns documented by GAP.

Summary of Investigative Findings:

1. In October 1980, Mr. George F. Maxwell, the Catawba Resident Inspector, breached the confidentiality of two QC welding inspectors when he informed [REDACTED] the [REDACTED] at Catawba, that welding inspectors were bringing problems to him and were documenting deficiencies in personal notebooks.

George F. Maxwell, when interviewed (Attachment 4), stated that between October 6 through October 10, 1980, he conducted a routine resident inspection (Inspection Report 80-31) at Catawba. During the inspection, Maxwell performed a follow-up inspection of previously identified items, inspected the installation of electrical supports and cables, and inspected equipment storage. Maxwell's follow-up inspection required that he contact both electrical and welding inspectors. On October 7, 1980, while he was walking through the site to check on the progress of various activities, he came across some welding inspectors and welders who were working in the same area. The welding inspectors were talking very loudly and claiming they were dissatisfied with Catawba and that the project was all messed up. One of the welding inspectors claimed he was documenting discrepancies in a personal notebook. Maxwell considered the use of a personal notebook by the welding inspector to document discrepancies to be a recurrence of the documentation problem identified during an NRC inspection in July 1980 (Attachment 5). Maxwell concluded that DPC had not corrected this violation. On October 9, 1980, in response to a request from Maxwell, the welding inspectors decided to come to the NRC resident inspector's office to discuss their statements with Maxwell. The welding inspectors had no specific safety concerns; however, they had a general concern over the dispositioning of nonconformance reports (NCR) to "use as is." The welding inspectors also provided Maxwell with three, general, non-safety related concerns. The welding inspectors denied recording deficiencies in personal notebooks and told Maxwell they were just kidding when they made the comments about keeping black books. The welding inspectors told Maxwell they did not want to discuss their concerns with OI investigators and they did not want to be identified in regard to their concerns because they were afraid their jobs might be jeopardized. On October 9-10, 1980, Maxwell discussed documentation, processing, and final disposition of NCRs with numerous other

inspectors on site. He did not discover any information to indicate inspectors were using non-approved methods to document nonconforming conditions. On October 10, 1980, prior to the exit conference between Maxwell and DPC management, Maxwell had a meeting with [REDACTED] the then [REDACTED] at Catawba. During the conference with [REDACTED] Maxwell discussed the areas he inspected and asked for input that [REDACTED] might be able to provide. Maxwell also discussed previous open items he looked into and his observations during the inspection. Maxwell made general comments to [REDACTED] that "some of his people" were still using improper methods for documenting deficiencies and that [REDACTED] needed to refresh "some of his people" on the proper use of nonconformance reports. Maxwell did not further identify any of these people to [REDACTED] and never told [REDACTED] that he was talking about welding inspectors. Maxwell did not make an issue of the possible documentation problems because he had nothing concrete with which to substantiate violations of procedures.

[REDACTED] when interviewed (Attachment 6) stated that on October 10, 1980, George F. Maxwell came to his office to discuss an NRC inspection that Maxwell had just completed at Catawba. During the meeting Maxwell reviewed some items from previous inspections that were still open. In this context, Maxwell made some general comments to the effect that some inspectors were still improperly documenting their observations in personal notebooks. Maxwell also told [REDACTED] that some inspectors had brought problems to him that DPC management should be aware of and resolve. Since these problems were not within the jurisdiction of NRC, Maxwell could do nothing but make DPC aware of them. During the meeting, Maxwell mentioned no names. He just stated "some inspectors" had approached him. Although Maxwell did not mention any names or identify what group of inspectors approached him, [REDACTED] assumed the inspectors were welding inspectors because Maxwell had indicated by the word "still" that the problem was a recurrence of the one identified by NRC in July 1980. That violation involved welding inspectors. Additionally, Maxwell was most likely to encounter welding inspectors while he was walking through the plant on an inspection. After the discussion with Maxwell, [REDACTED] wanted to remind the welding inspectors that DPC had recourse procedures to solve problems and before going to NRC, DPC management should first be allowed the opportunity to resolve employee concerns. [REDACTED] decided to have a meeting with the welding inspectors to discuss the DPC recourse procedure. [REDACTED] first discussed the matter with the welding inspector supervisors, [REDACTED] and [REDACTED] informed [REDACTED] and [REDACTED] about what he was going to discuss with the welding inspectors, and [REDACTED] and [REDACTED] told [REDACTED] that they would also make welding inspectors aware of the proper procedures to be followed when reporting problems. During [REDACTED] subsequent meeting with welding inspectors, none of the inspectors indicated they thought the DPC policy was unfair or bad.

On pages 16-29 of his July 13, 1983 deposition before the Atomic Safety and Licensing Board (ASLB) (Attachment 7), [REDACTED] described the October 10, 1980, meeting with George Maxwell. Although [REDACTED] states that Maxwell told him that "some of the welding inspectors had mentioned things to him" there is no indication in the deposition that Maxwell informed [REDACTED] of the identities of the inspectors.

In a January 9, 1984 letter to Congressman Morris K. Udall, Chairman, Committee on Interior and Insular Affairs, U.S. House of Representatives (Attachment 8), Nunzio Palladino, Chairman, U.S. Nuclear Regulatory Commission outlined NRC policy regarding granting confidentiality to witnesses. It has been and continues to be NRC policy to protect the identity of the source of information rather than the information itself.

2. Mr. Peter K. Van Doorn, the NRC Resident Inspector at Catawba since February 1981, failed to acknowledge the seriousness of the problems at Catawba. Van Doorn learned of the QC problems at Catawba in February 1981; however, he did not react to the warnings from QC inspectors of major QA problems at Catawba until February 1982 and did not refer the concerns of the QC inspectors to the Region II personnel responsible for investigating deliberate wrongdoing.

Peter K. Van Doorn, when interviewed (Attachment 9), stated that he began his assignment as the NRC Senior Resident Inspector (SRI) at Catawba in February 1981. When he arrived at Catawba he was not aware of any current concerns of welding inspectors. In November 1979, NRC Region II conducted a special inspection at Catawba (Inspection Report 79-21). A requirement of this inspection was that a minimum of 30 craftsmen (including QC inspectors and craft foremen) involved in safety-related work be randomly selected and interviewed privately about any problems or irregularities affecting quality of construction at Catawba that NRC should be informed of. None of the persons interviewed had any knowledge of substandard work that had not already been found by QC and corrected. In January-February 1981 a trial construction team inspection (Inspection Report 81-02) was conducted at Catawba. During this inspection, a large number of DPC personnel (including QC personnel) were interviewed concerning indications of harassment of inspectors or workers and the relationship between different work groups. As a result of this inspection it was learned that employees were free to express opinions and no one believed they might be pressured or harassed into performing or accepting low quality work. The inspection developed no indication that craftsmen and inspection personnel were not working well together. When he arrived at Catawba, Van Doorn was aware of the findings contained in these inspection reports and there was nothing to indicate to Van Doorn any widespread QC inspector problems at Catawba. Van Doorn could only recall two incidents in 1981 regarding inspector complaints. One involved an DPC inspector who complained that nonconforming items were not properly handled, the other was an anonymous note which stated Van Doorn should look into an incident of harassment of a welding inspector. Van Doorn followed up on the first concern which eventually resulted in an NRC violation. Regarding the harassment incident, DPC also informed Van Doorn of the incident. Van Doorn reviewed the incident and concluded that DPC took appropriate corrective action.

Van Doorn first became involved with welding inspector concerns on February 1, 1982, when [redacted] welding inspectors came to him and informed him of technical and non-technical concerns. On March 3, 1982, [redacted] welding inspector came to Van Doorn and expressed a technical concern. All of the concerns provided to Van Doorn had already been reported to DPC which had formed a task force in January 1982 to investigate the

technical concerns of the welding inspectors. DPC had requested that NRC allow them to pursue their investigation on their own and provide all information to NRC for review. Near the end of February 1982, DPC appointed another task force to investigate the non-technical concerns expressed by the welding inspectors. In general, the welding inspectors did not think they were being supported by management in their efforts to implement the welding QA program. The major non-technical issues were harassment and being told by their supervisors to sign corrective action records they did not agree with. The technical issues involved DPC compliance with procedures and handling of Nonconforming Items (NCI). The welding inspectors were concerned that NCIs written up in the past had not been properly evaluated and documented.

As a result of the concerns expressed to him by the welding inspectors, Van Doorn telephoned his supervisor Jack Bryant, Chief, Reactor Projects Section, Region II, NRC, and reported the results of the interviews. Additionally, Van Doorn documented the interviews in two memoranda, dated March 15, 1982, through Bryant to Carl E. Alderson, Director, Enforcement and Investigation Staff, Region II (Attachments 10 and 11). Van Doorn was directed by Bryant to conduct preliminary reviews of the DPC task force efforts to ensure adequate records were available for a future, more detailed, review by NRC. Because the welding inspectors initially reported their concerns to DPC, it was decided that DPC would be allowed to perform its own evaluation of the concerns and implement corrective actions. NRC would then conduct an in-depth evaluation to determine the adequacy of DPC actions.

During February-April 1982, Van Doorn conducted a preliminary review of each of the concerns that had been provided by the welding inspectors to ensure DPC conducted a thorough inquiry with complete documentation. Van Doorn's preliminary review was documented in Inspection Report 82-21/82-19. During the preliminary review, Van Doorn held regular telephone discussions with Bryant, Alderson, and other Region II management and investigative personnel. Van Doorn discussed the situation with James Y. Vorse, Chief Investigator, Region II, and during May-June 1982, sent him a memorandum to advise him of the concerns of the welding inspectors pertaining to harassment and falsification (Attachment 12). During the discussions with Region II management, it was decided that Van Doorn could adequately look into the welding inspectors' concerns by reviewing the work of the two DPC task forces; therefore, Region II decided that pending further developments there was no need for involvement by Region II investigators.

In August 1982, Van Doorn began a detailed review of the findings of both the technical and non-technical task forces. During this review Van Doorn ensured that every concern had been addressed and appropriate action had been taken by DPC. Van Doorn verified on a sample basis that corrective actions were implemented by DPC. Concerning the non-technical concerns, Van Doorn concluded that the basic problem was lack of communication, primarily within the QA department. Reasons for management and technical decisions were not communicated to the inspectors. Van Doorn's review of the technical concerns disclosed that the DPC technical force properly evaluated the technical concerns and made appropriate recommendations for corrective actions. Van Doorn reviewed a sample of the

corrective actions and concluded they were properly implemented. Van Doorn identified no significant technical discrepancies during his review of the task force efforts. Van Doorn's review of DPC documentation revealed DPC took what Van Doorn considered to be appropriate corrective actions. As the last incident of alleged harassment occurred in 1981, Van Doorn did not investigate these incidents due to their historical nature. Van Doorn did, however, inspect the hardware that may have been effected by harassment of a QC inspector and identified no hardware problems that resulted from harassment. Regarding the issue of falsification, Van Doorn's review revealed that although inspectors had signed their approval for items they disagreed with, there was no falsification. In these cases, the supervisor believed his decisions were justified and he had the authority to make the judgment in question.

Van Doorn believed NRC conducted a thorough, independent, and objective review of DPC handling of the welding inspector's concerns. The results of Van Doorn's final review were documented in Inspection Report 50-413/82-32 and 50-414/82-30. Van Doorn's review of DPC corrective actions was documented in Inspection Report 50-413/82-33 and 50-414/82-31. Additionally, Van Doorn provided the results of his review to Region II in a February 1, 1983 memorandum to Alderson (Attachment 13) and to NRC Headquarters in a February 22, 1983 memorandum to George E. Johnson, Office of the Executive Legal Director, NRC (Attachment 14).

On pages 98 and 99 of his May 19, 1983 deposition before the ASLB (Attachment 15), Van Doorn testified that he was aware that prior to his arriving at Catawba in February 1981 there had been concerns expressed by some welding inspection personnel that they had essentially already been reviewed and addressed. In essence, these issues were closed out; therefore, Van Doorn was aware of no open issues or case files regarding Catawba at the time of his arrival at Catawba.

Carl E. Alderson, when interviewed (Attachment 16), stated that he was notified of the welding inspector's concerns via two March 15, 1981, memoranda from Van Doorn through Jack Bryant, Van Doorn's supervisor. After receipt of the memoranda, considerable discussion took place which included the Region II Regional Administrator; Jack Bryant; R. C. Lewis, Director, Division of Project and Resident Programs; Van Doorn; Alderson; and other Region II personnel. Although it was agreed that the DPC task force would address the concerns of the welding inspectors, Alderson directed that Region II should not discount consideration of possible avenues of pursuit considered appropriate to the nature of the allegations (Attachment 17). Additionally, in a September 30, 1982, memorandum (Attachment 18) which he wrote to Bryant through his supervisor, R.C. Lewis, Alderson requested that Van Doorn specifically address four areas of concern and that whenever necessary, additional information, to include contact with concerned DPC employees, should be obtained. During the ensuing months, Alderson was informed that his request had been fulfilled and no further Region II action was required. Alderson knew of no improper actions by NRC personnel.

~~Inspector, DPC~~ Inspector, DPC, when interviewed (Attachment 19), stated he was unaware of any incidents of harassment or intimidation of DPC

employees as a result of having contacted NRC and was unaware of any other incidents where any form of recrimination was directed by DPC management toward any employee for voicing possibly unpopular or problematic opinions.

[REDACTED], DPC, when interviewed (Attachment 20), stated that he has never felt there has ever been any problem with an DPC employee contacting NRC with any problem and that no actual or perceived intimidation concerning his employment has ever existed. Moreover, the issues of harassment and intimidation have never been a problem during his entire period of employment at DPC.

[REDACTED] was aware of some concern on the part of DPC regarding some problems presented to DPC management, but, to the best of his knowledge, the problems were addressed by the DPC task force.

[REDACTED] Inspector, DPC, when interviewed (Attachment 21), stated he had no knowledge or involvement concerning falsification of documents. Additionally, [REDACTED] was unaware of any instances of possible harassment or intimidation of DPC employees as a result of their having contacted NRC. [REDACTED] detailed one incident regarding an NCI where he believed that, had NRC taken a stronger stand regarding NCI's, his position as an inspector would have been upheld at the time the NCI was written instead of 21 months later.

[REDACTED] DPC, when interviewed (Attachment 22), stated he recalled a meeting wherein [REDACTED], DPC, stated he could potentially take action against an employee who contacted NRC. [REDACTED] could provide no further information concerning this incident and was not personally familiar with any instances wherein retribution may have occurred, although the comments by [REDACTED] were considered by [REDACTED] and other DPC employees as a strong warning. [REDACTED] detailed one instance that he characterized as failure of DPC management to support welding inspectors and also commented on an unsatisfactory rating he received on his annual performance evaluation. [REDACTED] believed he received the unsatisfactory rating as a result of his support of subordinate inspectors against DPC management. [REDACTED] characterized DPC QA/QC problems as having taken a secondary role, in the opinion of management, to the construction schedule.

3. On December 20, 1982, Van Doorn violated the confidence of Catawba workers when he provided [REDACTED] notes of interview conducted by Van Doorn during an inspection of QC welding inspectors concerns.

Peter Van Doorn, when interviewed (Attachment 9), stated that in August 1982, he began a detailed review of the findings of both the technical and non-technical task forces. During this review, Van Doorn ensured that every welding inspector concern had been addressed and that appropriate corrective action had been taken by DPC. Van Doorn verified on a sample basis that corrective actions had been implemented by DPC. Van Doorn also reviewed the procedures and NCIs brought up by the welding inspectors in their concerns. He conducted formal interviews of 19 welding inspectors and 9 welding inspector supervisors. These interviews

included the site supervisors mentioned in the welding inspectors concerns and other supervisors, plus all 15 inspectors who had technical concerns, the 13 inspectors who had non-technical concerns, and two inspectors who had no concerns. Additionally, during his review Van Doorn addressed four specific concerns of Region II that Carl Alderson identified in the September 30, 1982, memorandum to Jack Bryant (Attachment 18). Van Doorn documented his detailed review of DPC task forces actions in Inspection Report 50-413/82-32 and 50-414/82-30. On December 20, 1982, Van Doorn discussed the inspection report with [REDACTED]. As a basis for discussion, Van Doorn prepared a synopsis of the interviews (Attachment 23) he conducted of the 19 welding inspectors and 9 supervisors concerning their perceptions of the effectiveness of the DPC task force. During the briefing, Van Doorn provided [REDACTED] a copy of the synopsis. Van Doorn asserted he did not violate the confidentiality of the individuals he interviewed because confidentiality was not an issue and the interviews were scheduled through the first line supervisors and the interviews were conducted on site. The DPC task force had interviewed the same individuals because they were the people who first reported their concerns to DPC. Additionally, no names were mentioned in conjunction with the comments in the synopsis. Van Doorn only discussed with [REDACTED] what was said by the interviewees.

In a December 20, 1982 memorandum to file (Attachment 24), [REDACTED] describes his interview with Van Doorn. The memorandum documents the remarks made by Van Doorn concerning the results of his interviews of welding inspectors and supervisors. There is no indication in the memorandum that Van Doorn divulged the identity of any inspector or supervisor.

In a January 9, 1984 letter to Congressman Morris K. Udall (Attachment 8), Chairman Palladino outlined NRC policy regarding granting confidentiality to witnesses. It has been and continues to be NRC policy to protect the identity of the source of information rather than the information itself.

4. On December 20, 1982, Van Doorn violated NRC policy regarding the release of draft information to licensees when he provided [REDACTED] with notes of interviews conducted by Van Doorn during an inspection of QC welding concerns.

Peter Van Doorn, when interviewed (Attachment 9) stated, that on December 20, 1982, he discussed Inspection Report 50-413/82-32 and 50-414/82-30 with [REDACTED]. This inspection report documented the results of Van Doorn's final review of DPC Task Force actions concerning welding inspectors' concerns. As a basis for discussion, Van Doorn prepared a synopsis of interviews (Attachment 23) he conducted of 19 welding inspectors and 9 supervisors concerning their perceptions of the effectiveness of the DPC Task Forces. During the briefing, Van Doorn provided [REDACTED] a copy of the synopsis. Van Doorn stated the synopsis he prepared was a factual summary of interview results and was used only as a basis for discussion with [REDACTED] the synopsis, as such, was not incorporated into the body of the inspection report. Van Doorn did not

consider the release as a violation of any NRC policy pertaining to the release of draft reports to licensees.

Inspection Report 50-413/82-32 and 50-414/82-30, dated January 7, 1983 (Attachment 25), documents Van Doorn's final review of the efforts of the DPC Task Forces pertaining to welding inspector concerns. Paragraph 10 of the report briefly summarizes Van Doorn's interviews of 19 welding inspectors and 9 supervisors. The fact that the comments of inspectors and supervisors was discussed with the [REDACTED] on December 20, 1982, was also documented. The synopsis Van Doorn provided [REDACTED] was not incorporated into Paragraph 10, and the paragraph did not contain the factual details that Van Doorn provided [REDACTED] in the synopsis.

Region Office Instruction (ROI) No. 0908, dated August 31, 1982 (Attachment 26), contains the Region II policy regarding the release of draft inspection reports to licensees in effect at the time (December 20, 1982) Van Doorn provided [REDACTED] with the synopsis of interviews. ROI 0908 implemented NRC policy on the release of draft inspection reports to licensees as set forth in memoranda of William J. Dircks, Executive Director for Operations, to Richard C. DeYoung, Director, Office of Inspection and Enforcement, dated March 24, 1982 and July 30, 1982, respectively. The ROI directs Region II employees not to discuss the contents of draft documents with licensees or their agents and not to provide copies of such documents to them or permit them to review such documents without the knowledge and consent of the Regional Administrator. The ROI also states "(t)hese prohibitions do not affect the requirement for inspectors to conduct exit interviews in which they inform licensees of the inspection findings, including any potential violations, deviations or unresolved items. While inspectors may provide a written outline of the findings, such practice is discouraged. If used, the inspector must exercise great care to ensure that: (1) the document contains only sufficient information to identify the issue and does not appear to be a draft Notice of Violation or Deviation, or Report Details; and (2) the licensee understands that the document reflects the view of the inspector and is subject to review and modification by Region II management."

In the December 20, 1982, memorandum to file (Attachment 24), [REDACTED] documents his interview with Van Doorn. The memorandum refers to the synopsis as "notes." There is no indication that [REDACTED] considered the synopsis provided by Van Doorn as a draft of Inspection Report 50-413/82-32; 50-414/82-30.

5. The Region II Administrator did not force DPC to bring the Catawba construction project into compliance with 10 CFR requirements in that it was not until 1982 that DPC implemented its 1974 commitment to split the QA function from Construction and Engineering. Additionally, the Region II Administrator did not respond to allegations of harassment, intimidation, and falsification of records brought to his attention by the Catawba Resident Inspector.

Supplemental Decision (ALAB-143), dated September 6, 1973, by the Atomic Safety and Licensing Appeal Board (ASLAB) (Attachment 27) documents ASLAB

approval of the DPC QA organization. The ASLAB ruled that the DPC QA organization complied with the criteria in Appendix B, 10 CFR 50, and was designed to provide the necessary independence of action to those persons having QA responsibilities. However, in Footnote 11 of that decision, the ASLAB noted that the approval of the DPC QA organization was with the understanding that DPC appoint a separate Corporate QA Manager. At the time of the ruling that position was being filled by the DPC Vice President for Engineering and Construction who was acting in a dual capacity. The ASLAB expressed the belief that DPC should fill the position of Corporate QA Manager before January 1974.

Vergil Brownlee, Chief, Project Section 2A, Division of Project and Resident Programs, Region II, NRC, when interviewed (Attachment 28), stated that Appendix B to 10 CFR 50 requires the QA organization performing QA functions to have sufficient authority and organizational freedom to identify quality problems; to initiate, recommend, or provide solutions; and to verify implementation of solutions. Appendix B does not specifically address requirements for a QC organization; however, it does require that QC inspections be performed by individuals other than those who performed the activity being inspected.

In regard to the DPC QA/QC organization at Catawba, Brownlee stated that on October 12, 1983, NRC issued a Safety Evaluation Report which concluded that the DPC organizational structure complied with the requirements of Appendix B, 10 CFR 50, and was acceptable and that the QA staff had been provided with adequate authority and guidance for the implementation of DPC QA program. Additionally, the Safety Evaluation Report addressed DPC's QC organization and reviewed the independence, responsibilities, authorities, and specific duties of QC inspectors in the electrical, mechanical, welding, and civil disciplines. NRC concluded DPC's QC organizational structure was acceptable. On February 1, 1974, the roles of the Senior Vice President of Engineering and Construction and the Corporate QA Manager were separated with the Corporate QA Manager reporting to the Senior Vice President for Engineering and Construction. A October 1, 1974, DPC Topical Report reflected the DPC QA organization established on April 2, 1974, which had the QA organization reporting to the Corporate QA Manager. The Topical Report also indicated that the QA organization reviewed and approved QC inspection procedures and records. The QC staff reported directly to the Senior QC Engineer who reported "functionally" to the Project Senior QA Engineer within the QA organization. On April 17, 1975, NRC accepted the DPC Topical Report on QA. On August 7, 1975, construction permits were issued for Catawba. On February 9, 1981, DPC informed NRC that the Site QC Staff was being brought into the DPC QA organization for administrative as well as functional control. On July 14, 1981, NRC accepted the DPC proposal, and on February 3, 1983, NRC again affirmed acceptability of the DPC QA organization.

Brownlee stated that DPC has not been in violation of Appendix B, 10 CFR 50, in the organization of its QA/QC program. The QC inspectors are full time inspectors who do not inspect any of their own work. Additionally, although prior to 1981 the QC inspectors received administrative support from the Project Engineer, functionally they have reported to the QA organization since 1973. The QC inspectors received all instructions and

guidance concerning implementation of the QA program and the conduct of inspections from QA. In turn, the QA organization reports directly to the Corporate QA Manager who is independent of construction and engineering. The DPC QA organization at Catawba has been in compliance with 10 CFR since 1973.

[REDACTED] at Catawba, when interviewed (Attachment 6), stated that prior to February 1981 he was the [REDACTED]. As the [REDACTED] he received administrative support from the Project Engineer at Catawba; however, he was under the functional control of the Senior QA Engineer at Catawba. [REDACTED] received all his operational direction and guidance concerning implementation of the QA/QC program from the Senior QA Engineer. To ensure independence of the QA program from any construction influence, the Senior QA Engineer reported directly to the QA Manager for Construction who was located off site in Charlotte, North Carolina. The QA Manager for Construction reported to the Corporate QA Manager who worked directly for the Senior Vice President for Construction and Design. The Corporate QA Manager was on an equal level with the Vice President for Construction who also reported to the Senior Vice President for Construction and Design. [REDACTED] stated that the independent functional line of control for QA ensured that Catawba QC personnel were able to independently evaluate the implementation of the QA program at Catawba. If [REDACTED] had any problems with construction personnel, he was able to report directly to his functional supervisor, the [REDACTED]. During the first part of 1981, DPC restructured the QA organization at Catawba. [REDACTED] was appointed [REDACTED] and now both the [REDACTED] and [REDACTED] report directly to him for both administrative and functional purposes. [REDACTED] reports to the [REDACTED].

James P. O'Reilly, Regional Administrator, Region II, NRC, when interviewed (Attachment 29), stated that he and subordinate Region II management and field personnel acted appropriately in all endeavors regarding Catawba. In January 1982, when Region II was notified by DPC of various concerns of QC inspectors, considerable Region II staff attention was devoted to a review of the information. It was recommended, and O'Reilly directed, that the matter be referred to DPC for appropriate action. This action was taken with a strict provision that to ensure appropriate compliance with NRC regulations, NRC would closely monitor the actions taken by DPC and take additional action if necessary. Upon completion of the DPC Task Forces which addressed QC inspector concerns, Region II reviewed in detail DPC actions and decided no further action by NRC was necessary.

Peter K. Van Doorn, when interviewed (Attachment 9), stated that as a result of his detailed review of the DPC Technical and non-Technical Task Force results, he determined DPC properly evaluated the problems and made appropriate corrective actions. No technical inadequacies having safety significance were found. The issues of harassment, intimidation, and falsification were not concerns at Catawba. All of the allegations involving harassment and intimidation were historical and, therefore, did not warrant NRC investigation. Regarding the issue of falsification, Van Doorn's review revealed that although inspectors signed their

approval for inspection items they disagreed with, there was no falsification. Van Doorn reported the results of his review to Region II via two inspection reports and memoranda.

OFFICIAL USE ONLY

ATTACHMENTS

1. Letter from GAP to Ben Hayes and James O'Reilly, dated April 21, 1983.
2. Memo, Subject: Catawba Nuclear Power Station - Allegation of Insufficient Investigation Concerning Harassment and Intimidation, dated April 29, 1983, w/o enclosures.
3. Letter from GAP to the Commission, dated September 14, 1983, w/o enclosures.
4. Report of Interview - George F. Maxwell, dated February 24, 1984.
5. Notice of Violation regarding Duke Power Company, Catawba 1 and 2.
6. Report of Interview - ██████████ dated February 16, 1984.
7. Extract of Deposition of ██████████ dated July 13, 1983.
8. Letter from Chairman Nunzio J. Palladino to Congressman Morris K. Udall, dated January 9, 1984.
9. Report of Interview - Peter K. Van Doorn, dated February 10, 1984.
10. Memo, Subject: Allegations Concerning QC Welding Inspection at Catawba Nuclear Station, dated March 15, 1982.
11. Memo, Subject: Concerns Expressed by a QC Welding Inspector at Catawba Nuclear Station, dated March 15, 1982.
12. Memo, Subject: Allegations Concerning QC Welding Inspector at Catawba Nuclear Station (Case No. 2G022), undated.
13. Memo, Subject: Allegations Concerning QC Welding Inspection at Catawba Nuclear Station (Case No. 2G022), dated February 1, 1983.
14. Memo, Subject: Information Relative to Welding Inspector Concerns at Catawba Nuclear Station, dated February 22, 1983.
15. Extract of Deposition of Peter K. Van Doorn, dated May 19, 1983.
16. Report of Interview - Carl E. Alderson, dated May 12, 1983.
17. Memo, Subject: Catawba - Concerns of Welding Inspectors (Reference: Case 26022), dated May 18, 1982.
18. Memo, Subject: Catawba - Concerns of Welding Inspectors (Reference: Case 2G022), dated September 30, 1982.
19. Report of Interview - ██████████ dated September 1, 1983.
20. Report of Interview - ██████████ dated August 31, 1983.

OFFICIAL USE ONLY

OFFICIAL USE ONLY

21. Report of Interview - [REDACTED] dated August 31, 1983.
22. Report of Interview - [REDACTED] dated September 1, 1983.
23. Synopsis of Comments Concerning Welding Inspector Concerns, dated December 20, 1982.
24. Memo, Subject: Catawba Welding Inspector Concern, dated December 20, 1982.
25. Inspection Report 50-413/82-32 and 50-414/82-30, dated January 7, 1983.
26. Regional Office Instruction No. 0908, dated August 31, 1982.
27. Supplemental Decision (ALAB-143), dated September 6, 1973.
28. Report of Interview - Vergil Brownlee, dated February 16, 1984.
29. Report of Interview - James P. O'Reilly, dated June 7, 1983.

OFFICIAL USE ONLY

GOVERNMENT ACCOUNTABILITY PROJECT

Institute for Policy Studies

1901 G Street, N.W. Washington, D.C. 20009

(202) 234 9382

April 21, 1983

Mr. Benjamin Hayes
Director
Office of Investigations
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Mr. James O'Reilly
Regional Administrator, Region II
U.S. Nuclear Regulatory Commission
101 Marietta Street, N. W., Suite 3100
Atlanta, Georgia 30303

Gentlemen:

The Government Accountability Project (GAP) of the Institute for Policy Studies has recently received a request from a citizens group in South Carolina to assist them with an investigation that they are conducting into the quality assurance and quality control procedures that have been employed in the construction of the Catawba Nuclear Power Station being built by the Duke Power Corporation.

The material that we have reviewed in connection with the request has raised serious questions about the Nuclear Regulatory Commission's (NRC) oversight of problems that have been brought to the attention of both the resident and regional inspectors and investigators.

Of particular concern to us are the allegations that were brought to the attention of the NRC regional office in January 1982 by a number of QC welding inspection personnel, and more specifically the direct orders by Duke construction management to falsify inspection documents. These circumstances raise critical questions about the conditions at the Catawba facility under which conscientious nuclear employees -- from welders to engineers -- are allowed to do their job. (See attachment 1.)

The comments originally presented by Mr. P. K. Van Doorn, the Senior Resident Inspector, have apparently been fully investigated and dismissed through a utility task force (attachment 2); however, we have requested through the Freedom of Information Act all NRC documentation that should clarify the results of any inspections or investigations that were conducted by the NRC as a result of the original allegations.

8308040516

Mr. Ben Hayes
Mr. James O'Keilly

- 2 -

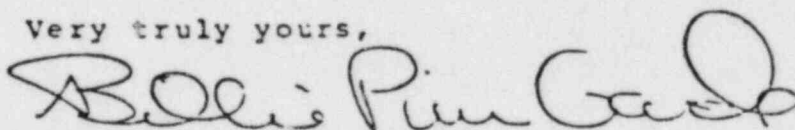
April 21, 1983

We request that the Office of Investigations conduct a complete review of: (1) the original allegations and (2) any investigations of those allegations. We think that such a review by OI is particularly appropriate due to Mr. VanDoorn's and Mr. W. J. Tobin's initial reports include serious evidence of harassment, intimidation and deliberate undermining of the welding QC program.

As you are aware, the concerns of worker harassment and intimidation and similar allegations of violations of the Atomic Energy Reorganization Act alleged by the unnamed sources referred to in the attached documents mirror the findings that GAP discovered at the Zimmer Nuclear Power Station in Ohio, the Midland Nuclear Power Plant in Michigan, and, most recently, the Three Mile Island cleanup operations in Pennsylvania.

We look forward to your response to this request in the near future.

Very truly yours,



BILLIE PINNER GARDE
Director, Citizens Clinic
for Accountable Government

BG/my

Attachments



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MANHETTA ST., N.W. SUITE 3100
ATLANTA, GEORGIA 30333

3/15/82

MEMORANDUM FOR: Carl E. Alderson, Director, Enforcement and Investigation Staff

THRU: J. C. Bryant, Chief, Reactor Projects Section 2A

FROM: P. K. VanDoorn, Senior Resident Inspector, Catawba

SUBJECT: ALLEGATIONS CONCERNING QC WELDING INSPECTION AT CATAWBA NUCLEAR STATION

On February 1, 1982, QC welding inspection personnel requested appointments with me to discuss concerns about the welding inspection program at Catawba Nuclear Station. Each of these individuals had expressed his concerns to Duke Power Company (DPC) management prior to meeting with me. DPC has established a task force to review each specific issue. DPC management discussed this task force with NRC:RII personnel (R. C. Lewis, J. C. Bryant, P. K. VanDoorn) on January 29, 1982. Each individual expressed to me his concern that DPC would attempt to "whitewash" the technical concerns; i.e., to say that the concerns were related to a recent pay adjustment.

"They each stated that a lack of support for implementation of the welding QA program by QC welding inspectors has existed for years. They are raising the issues now because they feel that for the first time, they have the attention of off-site management. They stated that they have tried to implement the letter of the QA program and have repeatedly been beat back by site management; i.e. told they were overinspecting, told they misinterpreted a procedure, told not to write NCI's on some significant violations of the QA program, been harassed on the job, witnessed answers on NCI's that were inaccurate and written to make the inspector look bad, and told to falsify records (see enclosure 2)." Identification of persons interviewed and specific concerns are contained in enclosures 1, 2 and 3.

I suggest that we allow the DPC review to be completed before we begin our in depth review of the concerns. I will inform you of any additional concerns which come to my attention.

P. K. VanDoorn
P. K. VanDoorn

- Enclosures:
- 1. Confidential
 - 2. Confidential
 - 3. Confidential

2308040594

MAY 18 1982

MEMORANDUM FOR: Jack Bryant, Chief, Reactor Projects Section 2A
THRU: Richard C. Lewis, Director, PRP Division
FROM: Carl E. Alderson, Director, EIS
SUBJECT: CATAWBA - CONCERNS OF WELDING INSPECTORS
(REFERENCE: CASE 2G022)

I have reviewed the two memoranda, both dated March 15, 1982, which were sent to me by P. K. VanDoorn. The two memos document the concerns which were expressed to him by ~~_____~~ welding inspectors at the Catawba site.

When you and I first discussed this matter, I concurred that we should permit the DPC Task Force to address these issues and then review their actions. After reviewing the enclosures to VanDoorn's memos in detail, I still concur with that decision. However, after seeing the great number of very specific issues involved from these ~~_____~~ alone, and assuming that additional QC inspectors have or will present additional issues to the Task Force, I believe that you should take action which will facilitate the eventual NRC review of this matter. Specifically, you should ensure that the Task Force is maintaining records which clearly identifies:

1. The identity of each individual who presents concerns to them;
2. Each of the concerns presented by the individual;
3. The Task Force's finding regarding each specific concern and the bases for the finding; and
4. The actions taken by the licensee in those cases where a concern is found to be valid.

It would be a good idea to have VanDoorn scan over what the Task Force has done to this point to ensure that the specificity identified above exists and to make sure that DPC isn't doing a lot of "hand-waving" to resolve the concerns. If they are, our efforts to determine adequacy of their followup will require a monumental amount of manpower.

Please keep me informed regarding the Task Force's progress and forward copies of any relate documents to me for inclusion in our case file.

Carl E. Alderson

RII:EIS *CA*

2308040587

FEB 01 1983

MEMORANDUM FOR: Carl E. Alderson, Director, Program Support Staff
THRU: *AJ* A. J. Ignatonis, Acting Chief, Reactor Projects Section 2A
FROM: P. K. Van Doorn, Senior Resident Inspector, Catawba
SUBJECT: ALLEGATIONS CONCERNING QC WELDING INSPECTION AT CATAWBA
NUCLEAR STATION (Case No. 2G022)

I have completed my review of the Duke Power Company (DPC) task force effort addressing the subject concerns. My investigation has included a review of each concern and resultant evaluation and recommendations. In addition I interviewed ● QA/QC supervisors and ● QC welding inspectors. These personnel included all those QA/QC personnel who had expressed or been involved with concerns. A list of persons interviewed is attached as Enclosure (1). I have reported this inspection effort in NRC Report Nos. 413/82-21, 414/82-19, 413/82-32, 414/82-30, 413/82-33, and 414/82-31. DPC has retained detailed records of the task force investigation which will be retained by DPC and made available for any further review that we deem necessary.

My conclusion is that the DPC investigation was complete and that resultant recommendations and actions taken or planned appear adequate to address the concerns. I discussed both harassment and falsification during the interview process. Although there appear to have been occasional disagreements between QC and craft personnel, I conclude that harassment is not a legitimate concern at Catawba. I further conclude that falsification is not a concern at Catawba. Some inspectors have signed for items which they did not agree were acceptable. However, they did so at the direction of a supervisor who had made an honest judgement that the item was acceptable. DPC has now implemented a policy preventing someone signing for an item which he/she does not agree is acceptable.

My recommendation is that we consider Case No. 2G022 closed.

P. K. Van Doorn 1/25/83
P. K. Van Doorn

Enclosure (1) List of Persons Interviewed (Confidential)

cc: J. Y. Vorse, Director, Office of Investigations

~~8311110298~~



NUCLEAR REGULATORY COMMISSION
REGION III
101 MARJETTA ST., N.W., SUITE 2100
ATLANTA, GEORGIA 30333

February 22, 1983

Docket Nos. 50-413 and 50-414

MEMORANDUM FOR: G. E. Johnson
Office of ELD

FROM: P. K. Van Doorn, Senior Resident Inspector
Catawba Nuclear Station

SUBJECT: INFORMATION RELATIVE TO WELDING INSPECTOR CONCERNS AT
CATAWBA NUCLEAR STATION

As stated in previous correspondence, concerns were expressed to both Duke Power Co. (DPC) and NRC regarding welding inspection at Catawba. The concerns expressed to NRC by ~~XXXXXXXXXX~~ were also expressed to DPC officials and included in the DPC task force review.

I have completed my review of this matter and have concluded that the DPC task force effort has resulted in satisfactory actions taken or planned to address the concerns. Results of my inspections are included in NRC reports and memoranda. These memoranda, along with copies of the concerns expressed to NRC, are contained in the NRC:RII case file. A copy of this file is being forwarded to you directly from NRC:RII per C. E. Alderson. Additional documentation utilized by me to perform my review is held by DPC in the form of documentation of the DPC task force review. It is my understanding that this material has been released to the Palmetto Alliance per DPC: A. V. Carr, Jr.


P. K. Van Doorn

cc: A. J. Ignatonis, NRC:RII
K. N. Jabbour, NRR

8308040522

2.

3.

4.

We also have numerous (approximately 7) concerns of intimidation (threats, curses, humiliation, nonsupport) of the Inspectors which could lead us to question their independent and integrity.

William J. Tobin
William J. Tobin

3/24/82.

~~8402270317~~