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January 30, 1996

U. S. Nuclear Regulatory Commission  
Washington, DC 20555

ATTENTION: Mr. James Lieberman  
Director, Office of Enforcement

SUBJECT: Calvert Cliffs Nuclear Power Plant  
Unit Nos. 1 & 2; Docket Nos. 50-317 & 50-318  
Reply to Notice of Violation -- NRC Inspection Report Nos. 50-317(318)/95-04

REFERENCE: (a) Letter from Mr. T. T. Martin (NRC) to Mr. R. E. Denton (BGE), dated January 2, 1996, Notice of Violation and Proposed Imposition of Civil Penalty - \$50,000 (NRC Inspection Report Nos. 50-317/95-04; 50-318/95-04 and NRC Office of Investigation [OI] Report 1-94-049)

Reference (a) forwarded the Nuclear Regulatory Commission Region I Notice of Violation and Proposed Imposition of Civil Penalty (\$50,000). Our response to the Notice of Violation is provided in an enclosure to this letter. Also enclosed is Baltimore Gas and Electric Company Check No. 1900056 in the amount of \$50,000.

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*W/ check \$50,000  
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ENCLOSURE (1)

NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY  
[NRC INSPECTION REPORT NOS. 50-317(318)/95-04]

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PART A - CONTRACTOR EMPLOYEE'S ACCESS

I. DESCRIPTION AND CAUSE OF EVENT

Code of Federal Regulations (CFR) 10 CFR 73.56(b), requires, in part, that a nuclear power plant licensee "... establish and maintain an access authorization program ... with the objective of providing high assurance that individuals granted unescorted access are trustworthy and reliable ...". Calvert Cliffs Administrative Procedure SE-2-100, Site Access, Section 5.5.6, states, "The Supervisor, Security Screening, shall suspend an individual's unescorted access authorization when required. Examples of when unescorted access may be suspended include, but are not limited to: ... d. whenever the individual's trustworthiness or reliability is questioned and credible supporting information exists, pending the outcome of an investigation." Reference (a) indicates, that contrary to the above, between April 1993 and October 1994, Baltimore Gas and Electric Company (BGE) failed to provide high assurance that a contractor employee granted unescorted access to Calvert Cliffs was trustworthy and reliable.

Baltimore Gas and Electric Company accepts the violation and associated civil penalty. In January 1993, the contractor employee applied for unescorted access at Calvert Cliffs. In February 1993, the preliminary screening steps required to grant temporary unescorted access were completed and access for the employee was granted. These steps included verifying the employee's identity, the successful completion of psychological and fitness-for-duty evaluations, and the receipt of positive background information. As part of the screening process, the employee was required to fill out a screening form including any prior criminal history; a set of fingerprints was submitted to the Federal Bureau of Investigation (FBI) for verification as well. The employee indicated on his screening form he had never been arrested.

In April 1993, the Security Screening Unit (SSU) informed the employee his fingerprints matched prints on file with the FBI of an individual with a different name who was previously arrested in California for petty larceny. The employee again denied he had ever been arrested and stated the name on the FBI fingerprint file card was not his. Due to concerns with the quality of the card, a second set of fingerprints were submitted to the FBI. The SSU received confirmation in June 1993 that the second set of prints submitted again matched the prints on file with the FBI. Even though the employee continued to deny the results of the FBI verification, the Supervisor of Security Screening believed the employee had been arrested as stated. The employee then initiated an appeal with the FBI to correct the fingerprint file. After considering all the information gathered on the employee during the screening process, including the arrest record, the supervisor concluded the employee did not represent a threat to Calvert Cliffs and continued to give the employee access while his appeal with the FBI was in progress.

In February 1994, the FBI informed the employee the FBI record had been changed to reflect his current and real name; the employee informed the SSU of these results in April but continued to deny the arrest record. Again, after considering all relevant information, the SSU supervisor concluded the employee was not a threat to Calvert Cliffs and did not terminate the employee's unescorted access. In October 1994 the employee's access was terminated after he was interviewed by the Immigration and Naturalization Service and State Department and determined to be an illegal alien.

As required by 10 CFR 73.56, the SSU supervisor gathered and considered information pertaining to the employee's background and character. Although the supervisor did not consider the employee to be a

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threat to the facility, the employee's falsification of background information and subsequent denials related to his arrest record should have been more of a concern relative to his reliability and trustworthiness; the supervisor should have been more conservative in his decision making.

**II. CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED**

Following the employee's interview with the Immigration and Naturalization Service and State Department, his unescorted access was terminated. After a thorough review of the actions taken by the SSU supervisor, senior management communicated clear expectations for dealing with derogatory information developed during the access authorization process and the need to make conservative decisions to both the supervisor and the Director-Nuclear Security.

**III. CORRECTIVE ACTIONS TAKEN TO AVOID FURTHER VIOLATIONS**

In response to the issue, the following corrective actions have been completed: (1) SSU procedures were revised to clearly define how derogatory information will be adjudicated, including management involvement, and documentation requirements; (2) Specific cases involving derogatory information that indicate a concern with an individual's trustworthiness and reliability will follow a process which will result in early denial of access authorization or will be elevated to the appropriate level of supervision/management for resolution; (3) To help assess our program and develop additional enhancements, the security screening supervisor of a recognized access authorization program benchmarked our program against his and provided constructive feedback. Additionally, an internal independent review is scheduled to be performed in February 1996 to determine the effectiveness of the corrective actions stated above.

**IV. DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED**

Full compliance was achieved on October 18, 1994 after the employee's access authorization was suspended once it was determined he was an illegal alien.

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PART B - ACCESS AUTHORIZATION PROGRAM CONTRACTOR

I. DESCRIPTION AND CAUSE OF EVENT

10 CFR 73.56(b)(2) requires, in part, that the unescorted access authorization program include a background investigation designed to identify past actions which are indicative of an individual's future reliability within a protected or vital area of a nuclear power plant. In accordance with 10 CFR 73.56(g), licensees are required to audit their access authorization program at least every 24 months. Contrary to the above, the Calvert Cliffs Quality Assurance Unit (QAU) Access Authorization Program audit performed in 1992, and surveillance performed in 1994, did not include a specific audit of a contractor who periodically provides background data to the SSU.

Baltimore Gas and Electric Company accepts the violation. Employees who receive unescorted access at Calvert Cliffs are either processed by the SSU or outside contractors who maintain approved access authorization programs in accordance with 10 CFR 73.56. Background information such as employment history and references is gathered by the SSU for those employees they process. Periodically, during busy periods such as refueling outages, the SSU uses a contractor to help provide this information. This raw data from this contractor is used with other information gathered by the SSU to make a final access decision.

Calvert Cliffs QAU's audits are performance based and structured to ensure program requirements are being met. As part of the Access Authorization Program audit, the QAU reviewed samples of the background information provided by the contractor but did not specifically audit the contractor's process for obtaining the data. Both the SSU and QAU did not believe the contractor had to be audited since they did not maintain an approved authorization program under 10 CFR 73.56. Additionally, the SSU had not experienced problems with the accuracy of the data supplied which would indicate a concern with the contractor's process.

II. CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED

In response to this issue, an audit of the contractor and the process they use to gather background information was performed at the contractor's offices on September 12, 1995. The results of the audit were positive and concluded the contractor's process was satisfactory.

III. CORRECTIVE ACTIONS TAKEN TO AVOID FURTHER VIOLATIONS

To satisfy the requirements of 10 CFR 73.56(b)(2) in the future, contractors who perform portions of the Calvert Cliffs Access Authorization program will be audited on a biennial frequency, similar to the access authorization program.

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IV. DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

Full compliance was achieved on September 12, 1995, when the contractor's program was audited by the Calvert Cliffs Vendor Audits Unit with assistance from an SSU technical specialist.

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PART C - CONTRACTOR ACCESS REVIEW PROCESS

**I. DESCRIPTION AND CAUSE OF EVENT**

10 CFR 73.56(e) requires, in part, that licensees provide employees, including contractors, an objective review of information related to the denial or revocation of unescorted access. Contrary to the above, the process used at Calvert Cliffs for contractors and vendors did not provide the same level of objective review as the process used for BGE employees.

Baltimore Gas and Electric Company accepts the violation. The Calvert Cliffs Security Plan states that Calvert Cliffs is committed to Regulatory Guide 5.66, "Access Authorization Program for Nuclear Power Plants." The Regulatory Guide states 10 CFR 73.56(e) contains the requirements for access authorization denial/revocation processes, including an objective review of the information used to justify the denial/revocation. The regulations further state the process for denial/revocation may be an impartial and independent internal management review.

The current process used for BGE employees involves a corporate grievance procedure in which members of Calvert Cliffs management and the BGE Human Resources organization review the relevant information before a decision is made. When a contractor/vendor's access was denied, the SSU Supervisor initiated the process and passed the relevant information on to the Director-Nuclear Security. The Director-Nuclear Security would then hold a meeting with the employee to review relevant information. The SSU supervisor, along with an additional Security supervisor, would also be present at this meeting to provide the Director with information as needed. The Director-Nuclear Security was totally responsible for making the final access determination.

Although a process existed for contractors to challenge the access denial decision made by the SSU supervisor, the process, because it involved the Director-Nuclear Security, was not as objective and independent as the process used for BGE employees.

**II. CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED**

In response to this issue, the requirements for a denial/revocation process, stated in 10 CFR 73.56(e), were reviewed and incorporated in the access authorization procedures.

**III. CORRECTIVE ACTIONS TAKEN TO AVOID FURTHER VIOLATIONS**

The denial/revocation policy has been revised to remove the Director-Nuclear Security as the final decision maker for access denials/revocations for contractors and vendors. The policy now states an independent member of BGE management will be selected by the Director-Nuclear Security to perform the review and make the final decision.

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IV. DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

Full compliance was achieved on June 29, 1995, when the new denial/revocation policy for contractors was initiated.