

Title: SOUTH TEXAS PROJECT

INTIMIDATION AND DISCRIMINATION AGAINST A BECHTEL SUPERINTENDENT
AND AN EBASCO ENGINEER FOR REPORTING SAFETY CONCERNS

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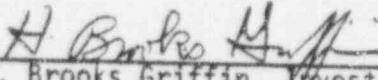
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Reported by:


H. Brooks Griffin, Investigator
Office of Investigations
Field Office, Region IV

Reviewed and approved by:


Donald D. Driskill, Director
Office of Investigations
Field Office, Region IV

Participating Personnel:

D. D. Driskill, Director
Office of Investigations
Field Office, Region IV

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DETAILS OF INQUIRY

Purpose of Inquiry

The purpose of this inquiry was to determine whether a former Bechtel superintendent and an EBASCO engineer at the South Texas Project were terminated by their respective management for reporting safety concerns.

Background

On [REDACTED] wrote a letter to the Chairman of the Nuclear Regulatory Commission (NRC) stating he had identified various technical deficiencies to Bechtel management that could adversely affect the safe operation of the plant (Exhibit 1). [REDACTED] alleged that Bechtel management subsequently prohibited him from identifying other deficiencies of which he had knowledge.

On October 30, 1986, the NRC Office of Investigations initiated an inquiry for the purpose of interviewing [REDACTED] to identify his technical concerns and to document the details of the events surrounding his allegation that he was prohibited from identifying safety concerns.

Interview With [REDACTED], Bechtel Corp.

[REDACTED] was interviewed at South Texas Project (STP) by NRC Investigator Donald Driskill and NRC Inspectors Dan Carpenter and Terrence Reis at Lake Jackson, TX on November 6, 1986 (Exhibit 2). [REDACTED] said he worked as a [REDACTED] superintendent at the STP Unit 1, and said his [REDACTED]

[REDACTED] that in August 1986, EBASCO management and Bechtel procurement management were in the process of trying to resolve a problem concerning excessive surplus materials located in the buildings. EBASCO management was resisting having Bechtel employees assigned to the building. [REDACTED] said that as he was going about his job of logging the surplus items, he began noticing construction deficiencies in Bechtel piping instrumentation. He recognized these deficiencies based on his past experience in the nuclear industry.

INVESTIGATOR'S NOTE: At this point in the interview, [REDACTED] joined [REDACTED] in the interview at [REDACTED] request. [REDACTED] made statements expressing his belief that employees at STP who reported deficiencies were the first to be included ROFs. [REDACTED] was advised he would be interviewed separately regarding his concerns.

[REDACTED] he wrote a letter to Alden YATES, President of Bechtel, notifying him of the various engineering deficiencies he had identified. [REDACTED] said YATES responded in a letter [REDACTED] said that his reply from YATES had been opened by somebody on site, so he subsequently wrote a letter to the Postmaster General of the United States inquiring as to why this had occurred. [REDACTED] said he had known YATES since 1962, and felt as if he could discuss these concerns with him. [REDACTED] said that YATES decided to have Leo DAVIS, the Project Superintendent, contact him about his concerns. 70

██████████ said that during this same period in time, he was having difficulties with ██████████ Dave SURBER, the Material Controls Manager. ██████████ said that SURBER was extremely hard, demeaning, demanding, and emphatically vulgar. ██████████ said he did not feel that he could approach SURBER about engineering concerns. ██████████ said that when SURBER learned that he had written YATES about technical concerns, he questioned him about his actions. ██████████ said he invited SURBER to accompany him to the meeting with DAVIS. ██████████ said DAVIS asked him why he had chosen to write YATES rather than go through site management, and he told DAVIS that he did not get along with SURBER. ██████████ said DAVIS told him that he had arranged a meeting with Jim HURLEY, an assistant to the Project Design Manager, so ██████████ could point out the location of his hardware concerns. ██████████ said HURLEY and Jim O'HARE, the principal lead and mechanical piping design supervisor, accompanied him on the walkdown on September 6, 1986. ██████████ said that during this review, he made several suggestions on how to improve plant safety for employees. ██████████ said that following the walkdown, he resumed walking through the site taking notes identifying engineering concerns. 7C

██████████ said that on the following day, he again continued his research walking through the plant looking for deficiencies. ██████████ said that on the third day, Adrian ZACHARIA, the Bechtel Project Manager, requested an interview with him. ██████████ said ZACHARIA asked him why he had not contacted his supervisor with his concerns, and he said he told him he did not get along with SURBER. ██████████ said HURLEY was called to the meeting, and said he brought thirty photographs he had taken of the concerns ██████████ had identified. ██████████ said that on the following day, he continued his tour of the plant making his list of engineering deficiencies. ██████████ said he was called to a meeting with John BARLOW and DAVIS. ██████████ said DAVIS asked him if he had an assignment, and said he told DAVIS "yes." ██████████ said DAVIS instructed him to return to his assignment related to inventorying surplus hardware on site and to discontinue his identifying what he believed to be construction deficiencies on site. ██████████ said he felt like DAVIS was relieving him of his responsibility to identify these concerns. ██████████ said he returned to his work inventorying the surplus items. ██████████ said that on October 13, 1986, DAVIS told him he did not want him ██████████ wandering around the plant. ██████████ said DAVIS made this statement in the presence of Tom JORDAN, the QA Manager. ██████████ said DAVIS told him it was not his job to make a self-appointed review of plant construction and design. ██████████ said he also had a telephone conversation with Chuck HALLIGAN, the Vice-President of Bechtel in Houston, who told him it was not his ██████████ job to inspect the plant. 7C

██████████ said that on October 14, 1986, he received notification from Bechtel that he was being terminated in 30 days. ██████████ said that in an October 15, 1986 meeting with SURBER, SURBER asked him to take his concerns to SAFETEAM. ██████████ said he contacted DAVIS and asked him why in view his long history with Bechtel, without prior warnings, no deficiencies in his performance evaluation, department, or absenteeism, he was being terminated. ██████████ said DAVIS explained to him that it was time for layoffs, and that he had been "force-ranked" low. ██████████ said he was a grade ██████████ and said he did not know of any other superintendents being laid off. ██████████ said that as far as he knew this was going to be a reduction-of-force of one. ██████████ said it was Bechtel policy that employees be worked with, coached, and/or reprimanded before a decision was made to terminate them. ██████████ said his personnel record for Bechtel would show he had exceeded the standards in his 7C

evaluations, and had a 27 year history of being a good productive employee. [redacted] said he had no information nor heard statements from any of the supervisors to indicate he was being terminated for having identified deficiencies. [redacted] said DAVIS told him that he was not being replaced, and that no one would be brought in to fill his position. 7C

[redacted] said that on October 22, 1986, he had another meeting with ZACHARIA in which ZACHARIA was attempting to explain the Deficiency Corrective Action Report (DCAR) system to him and how deficiencies were reported and resolved. [redacted] said he told ZACHARIA he was not satisfied with the DCAR system. [redacted] said ZACHARIA told him that his concerns would be addressed, and he told ZACHARIA that he wanted a response to his concerns. 7C

[redacted] said he did not identify his concerns to the STP SAFETEAM because he felt that since he worked for Bechtel, he should go through Bechtel. [redacted] said he was subsequently contacted by SAFETEAM and asked if he had any concerns he wanted to report. [redacted] said he subsequently wrote a letter to Admiral Zech of the NRC identifying the same engineering deficiencies he reported to YATES. [redacted] explained that he was told of his termination before he wrote the letter to the NRC.

INVESTIGATOR'S NOTE: During this interview, [redacted] also made certain technical allegations which were addressed by the NRC Region IV staff.

Review of [redacted] Bechtel Personnel File at STP

On August 19, 1987, Diane O'DELL, Bechtel Personnel Supervisor, reviewed [redacted] personnel file with the reporting investigator (Exhibit 3). O'DELL said [redacted] was notified on October 18, 1986, that he was to be terminated on November 12, 1986 in a reduction of force (ROF). O'DELL said that [redacted] was eligible at that time for retirement, and said [redacted] requested that Bechtel retire him in lieu of a layoff. O'DELL said [redacted] requested retirement in writing on October 18, 1986, and said his retirement became official on November 13, 1986. O'DELL said [redacted] retirement entitled him to receive unemployment compensation, a lump sum payment which she described as substantial considering he had 25 years service. She said [redacted] was entitled to continue his present insurance through Bechtel. 7C

O'DELL said she had previously known [redacted] from work at another site, and she had discussed his employment situation with him. O'DELL said it was clear to her that [redacted] wanted to continue working for Bechtel, and he expressed concern that he had been singled out for an ROF. O'DELL said she had conveyed to him that he was not singled out and that numerous other Bechtel employees were included in the ROF. O'DELL said that because of a loss of jobs in the industry, Bechtel's nation-wide job force had dropped from 47,000 employees to 17,000 employees. O'DELL said she thought she had been successful in making [redacted] understand that his job had come to an end and that Bechtel had tried but was unable to place him at another site. 7C

Interview With [redacted] Former EBASCO Employee at STP

On January 22, 1987, [redacted] was interviewed by NRC Investigator Donald Driskill and NRC Inspector Les Constable at Bay City, TX (Exhibit 4). [redacted] said he was currently unemployed. [redacted] said he had been employed by EBASCO at STP from 7C

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January 1983 until September 1986. [REDACTED] said that during his employment at STP he had worked as a senior design engineer, a project control engineer, and as a staff consultant for pipe supports. [REDACTED] said he worked as a lead mechanical engineer evaluating procedures and recommending changes. He said, however, that his supervisors often times did not accept his recommendations. [REDACTED] said he continued to have problems with his supervisors over code interpretations and this developed [REDACTED]

[REDACTED] said he recalled one instance in the middle of 1983 when he had a disagreement over a design document with his supervisors. [REDACTED] said the document was eventually sent to Bechtel, and Bechtel endorsed his view and his conclusions. [REDACTED] said that following this incident, he had a discussion with his supervisor, CAMERON, and CAMERON began giving him more latitude in accepting his recommendations on procedural changes to comply with code requirements. [REDACTED] said that in spite of his improved relationship with CAMERON, other EBASCO officials above him continued to disagree with his recommendations. [REDACTED] said at one point he became frustrated because they did not follow his recommendations, and he asked for a transfer into construction. However, they denied his transfer request, stating they needed him to stay where he was to help them finish the procedures. [REDACTED] said he only requested the transfer because he felt they did not need him anymore. [REDACTED] said, because he considered there to be errors in some of the procedures, he believed some of the installations did not meet code requirements.

INVESTIGATOR'S NOTE: [REDACTED] provided some specific examples of failure to meet code requirements, and these concerns were reviewed as part of an NRC inspection.

[REDACTED] said that when he disagreed with the his superiors, he gave them the benefit of his knowledge. [REDACTED] said that in some instances significant problems were resolved when they had taken his advice. [REDACTED] said, however, there were instances when he believed they mistakenly followed their own judgment.

[REDACTED] said that in his yearly evaluation, his supervisor had graded him as [REDACTED]. [REDACTED] said his supervisor was critical of his [REDACTED]. [REDACTED] said there had been several instances when he did not feel his abilities were being usefully employed, and he requested job changes. [REDACTED] said he was eventually assigned as a field engineer in the balance of plant (BOP) area. [REDACTED] indicated he held this position for the last year to year and half of his employment and was not in a position to involve himself in the safety systems.

[REDACTED] said that in February 1983, he approached management with the idea of doing away with the Bechtel QA/QC procedures, EBASCO QA/QC procedures, and the HL&P procedures, and just have an STP site procedure instead. [REDACTED] said his supervisors were not receptive to his idea. [REDACTED] said that several years later, the procedures were combined.

[REDACTED] said that on September 23, 1985, he wrote a letter to John MARTIN, the top engineer for EBASCO, stating that he did not feel, based on his educational background and work experience, he was being utilized in a

position to benefit the job. [REDACTED] said he requested a transfer to QA, and said his request was granted. [REDACTED] said he was transferred into QA N-5 Code Data Report Preparation group as a QA engineer under Bill PARDEE, the supervisor of the N-5 group. [REDACTED] said he was assigned to work for [REDACTED] on the essential cooling water (ECW) system. [REDACTED] said he was provided with procedures for the system which he determined did not meet code requirements. [REDACTED] said this condition prohibited an N-5 code data report to be prepared. 7C

[REDACTED] said when EBASCO replaced Brown and Root (B&R) at STP, an agreement was reached among Bechtel, EBASCO, HL&P, and the Texas Department of Labor and Standards, that if code hardware was modified or installed, the Bechtel drawings would reflect the change previously inspected by B&R, in responsibility for N-5 code for N-5 code approval. [REDACTED] said he believed this had significant impact on his N-5 code data report. [REDACTED] said there was piping buried in concrete for which there was a need to determine whether the work had been finally completed and accepted by B&R or EBASCO. [REDACTED] said he was unable to do this in preparation of his N-5 report. [REDACTED] said he reported this to his supervisors who agreed to send the issue to top management of EBASCO and Bechtel. 7C

[REDACTED] said he came to a personal conclusion that, if he was going to write an N-5 data report stating the installation was "as is documented", he should do a visual inspection of the hardware. [REDACTED] said he was told that the QC organization verified the hardware, and it was not necessary for him to conduct field inspections. [REDACTED] said he did some spot checking and found some components that did not have code stamps as required by the ASME components. [REDACTED] said he had difficulty attributing responsibility for each piece of hardware or component to B&R or EBASCO for his N-5 report. [REDACTED] said a few days after he raised this question, he was removed from the N-5 group. 7C

[REDACTED] said his immediate supervisor, [REDACTED] was eventually demoted for identifying these same types of problems. [REDACTED] said in spite of the fact that he and [REDACTED] were told it was not their job to do the field inspections and identify the problems, they continued to do so prior to making the certifications on the N-5 code data report. [REDACTED] said that during this time, PARDEE, [REDACTED] supervisor, was stating they had to complete the N-5 data report. [REDACTED] said that he and [REDACTED] eventually wrote to their boss, Mitch MULDER, to find out if any corrective action was being taken. [REDACTED] said MULDER indicated he was preparing a letter for Jim NARRON listing the problems they had identified. [REDACTED] said to his knowledge nothing was done with his concerns. [REDACTED] said that during his brief tenure in the N-5 group, no N-5 code data reports were completed. [REDACTED] said his supervisors wanted him to complete his N-5 data report on the EWS system, but he kept telling them he could not do so until they supplied him with answers to the deficiencies identified in his memos. [REDACTED] said he had a meeting with NARRON who indicated to him that the other engineers in the N-5 group did not have the same problems with the data he had. [REDACTED] said he told him he could not complete his report until he had the information. [REDACTED] said he told NARRON he was not going to prepare an incomplete or inaccurate N-5 code data report, and that if he wanted him to do it, NARRON could order him in writing to do so stating that it was permissible to prepare an incomplete, inaccurate report. [REDACTED] said two or three days after that, he was transferred out of the QA 7C

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department. [redacted] said he was next transferred to the engineering department and began identifying the same types of problems.

INVESTIGATOR'S NOTE: Attempts were made to contact [redacted] by mail, because he did not have a telephone listing. However, [redacted] did not respond and was not interviewed as part of this inquiry.

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Review of [redacted] EBASCO Personnel File at STP

On August 18, 1987, W. H. URELL, EBASCO Personnel Manager at STP, reviewed [redacted] personnel file with the reporting investigator (Exhibit 5).

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URELL said the file showed [redacted]

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URELL said that [redacted]

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SAFETEAM Contact

On August 19, 1987, Lloyd GUTHRIE and Bervin HALL, HL&P SAFETEAM, were interviewed by the reporting investigator (Exhibit 6). GUTHRIE and HALL said the SAFETEAM had received and investigated technical concerns on allegations made by [redacted] and [redacted] but they said no allegations had been made by either [redacted] or [redacted] related to harassment and intimidation and/or discrimination.

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Interview with David SURBER, Bechtel Material Control Manager at STP

On August 19, 1987, SURBER was interviewed by the reporting investigator at STP (Exhibit 7). SURBER said [redacted] had been reassigned to work in Surplus Marketing for five or six months before his retirement. SURBER said [redacted] worked under the supervision of Jan BARLOW, the Bechtel Surplus Marketing Supervisor. SURBER said he was aware [redacted] had expressed a dislike for him, but said he did not know the background or basis for [redacted] feelings against him. [redacted]

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Interview with Jan BARLOW, Bechtel Project Field Procurement Manager at STP

On August 19, 1987, BARLOW was interviewed by the reporting investigator at STP (Exhibit 8). BARLOW said he had supervised [redacted] in surplus marketing after [redacted] was reassigned to his division. BARLOW said [redacted] previous

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work as a superintendent had been completed, and Bechtel reassigned [redacted] to surplus marketing. BARLOW said [redacted] duties involved identifying excess materials and arranging for them to be placed back in stock in the surplus yard. 10

BARLOW said he believed [redacted] discontent before he retired from Bechtel was based on [redacted] desire to continue working for Bechtel. BARLOW said [redacted] was a long-time Bechtel employee who displayed strong feelings of loyalty to the company. BARLOW opined that [redacted] self-appointed inspection activities in the face of his ROF may have been an attempt on [redacted] part to show Bechtel that there was still a need for his engineering skills and to provide a reason for reassigning him to head an inspection group. 70

Review of NRC Inspection Report 50-498/87-07 and 50-499/87-07

[redacted] technical concerns were identified under NRC allegation number 4-86-A-077. [redacted] made similar allegations under allegation number 4-87-A-008. [redacted] and [redacted] alleged that EBASCO had numerous errors in records for safety-related equipment and that these deficiencies, once identified, were not addressed by management even though a management corrective action request (MCAR) had been written. The NRC inspection determined that SAFETEAM had followed up on this allegation from information filed in a Department of Labor (DOL) Atomic Energy Act 210 complaint. SAFETEAM reviewed [redacted] record packages and concluded that the allegation was substantiated. In reviewing the same records that SAFETEAM had reviewed, the NRC inspector concluded that numerous deficiencies still existed in the quality record packages, and the allegation was considered to be substantiated. The NRC inspector also interviewed N-5 group personnel and received a consensus opinion that early in the N-5 program, the procedures for handling N-5 record deficiencies were not clearly conveyed to the group. The NRC inspector determined that since the original allegations, appropriate procedures had been established for the N-5 group. The NRC inspector concluded that based on his review, the original errors identified in safety-related record packages had been addressed and corrected and that appropriate management controls had been implemented. 70

Review of NRC Inspection Report 50-498/87-30 and 50-499/87-30

An NRC inspection report was issued which contained the results of the NRC's review of allegation 4-86-A-111, an allegation made by [redacted] similar to [redacted] and [redacted] allegations addressed in NRC inspection report number 87-07. [redacted] participated in a series of walkdowns to identify his technical concerns. Some of these walkdowns involved HL&P and Bechtel, and he later guided NRC inspectors on walkdowns. The licensee concluded that left undetected, none of [redacted] concerns would adversely affect the safe operation or shut down of the plant. The NRC inspector also reviewed the licensee's findings and concluded that all items had been properly dispositioned. 70

Agent's Conclusion

On [redacted] [redacted] wrote a letter to Alden YATES, President of Bechtel, stating that he was aware of various construction deficiencies. On October 15, 1986, [redacted] was notified of his inclusion in an upcoming 70

reduction of force with Bechtel. [redacted] wrote a letter to the NRC Chairman stating he had been prohibited from reporting safety concerns by his management. On November 6, 1986, [redacted] was interviewed by NRC representatives and identified a number of hardware concerns which he said needed corrective action. On November 13, 1986, [redacted] retired from Bechtel with all retirement benefits. 7C

The evidence gathered in this inquiry indicated [redacted] was aware of his probable inclusion in upcoming reductions of force, and he expressed a strong desire to continue working for Bechtel. [redacted] had previously worked as a construction superintendent but, as the job was winding down, his duties changed. [redacted] retained his superintendent's title and pay but was reassigned to market surplus for about six months.

[redacted] embarked on a series of self-appointed inspections unrelated to his market surplus duties. [redacted] technical concerns were addressed and resolved both by Bechtel and by the NRC. Bechtel management's request that he return to his market surplus duties did not constitute an attempt on Bechtel's part to prohibit [redacted] from voicing his concerns. 7C

[redacted] technical concerns were also addressed by both Bechtel and the NRC, and this investigation did not establish any evidence of an attempt to prohibit [redacted] from voicing his concerns. This investigation did not establish that [redacted] termination in a reduction of force was in any way related to his having voiced concerns. This inquiry is closed. 7C

LIST OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
1	Letter to the NRC Chairman from [REDACTED], October 16, 1986
2	Interview with [REDACTED], November 6, 1986
3	Review of [REDACTED] Bechtel Personnel File, August 19, 1987
4	Interview with [REDACTED] January 22, 1987
5	Review of [REDACTED] EBASCO Personnel File, August 18, 1987
6	Interview with Lloyd GUTHRIE and Bervin HALL, August 19, 1987
7	Interview with David SURBER, August 19, 1987
8	Interview with Jan BARLOW, August 19, 1987

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