

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INVESTIGATIONS

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INVESTIGATIVE INTERVIEW :
JOHN WALD, JR. :
(CLOSED) :

Enrico Fermi II
Newport Road
Newport, Michigan

Tuesday, March 8, 1994

The above-entitled matter commenced at 10:40 a.m.

when were present:

RICHARD T. ANDERSON
Investigator
US NUCLEAR REGULATORY COMMISSION

PETER MARQUARDT, ESQ.
ON BEHALF OF MR. WALD AND DETROIT EDISON

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P R O C E E D I N G S

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2 MR. ANDERSON: Tuesday, March 8th, 1994.

3 Approximately 10:41 a.m. For the record, this is an
4 interview of Mr. John J. Wald, Jr., spelled, W-a-l-d, who is
5 employed by Detroit Edison. The location of this interview
6 is the Fermi Nuclear Power Plant in Michigan.

7 Present at this interview are Mr. Peter Marquardt,
8 attorney representing Detroit Edison and Mr. Wald, and
9 Richard Anderson, Investigator with the U.S. Nuclear
10 Regulatory Commission, Office of Investigation, Region III.

11 As agreed this interview is being electronically
12 court reported by -- or electronically recorded by Court
13 Reporter, Janie Giles. And the subject matter of this
14 interview concerns alleged harassment/intimidation.

15 Mr. Wald, sir, would you please stand and raise
16 your right hand?

17 JOHN J. WALD, JR.

18 was called as a witness by the Commission, was sworn and
19 testified as follows:

EXAMINATION

20
21 BY MR. ANDERSON:

22 Q Mr. Wald, would you please for us, tell me when
23 you started with Fermi and just a little bit about your
24 progression of your responsibilities through the company?

25 A I started with Fermi in 1984 as a contract

1 employee. I was working Quality Services International, and
2 about nine months thereafter I was hired by Detroit Edison
3 as a principal quality engineer.

4 Q Would that have been the latter part of '84 then?

5 A It was September of '84, to be specific, yes.

6 Q September, okay.

7 A At that time I was employed as a principal quality
8 engineer. Not remembering all of the dates in one thing --

9

10 Q That's okay.

11 A -- as it took place. Basically after working as a
12 quality engineer for a few years, I became the supervisor of
13 operational assurance. And from there --

14 Q Now, would that have been an auditing group or an
15 inspection group?

16 A That was a surveillance group.

17 Q Surveillance.

18 A Quality surveillance.

19 Q And how long were you in that position, sir?

20 A The time escapes me, but it was a couple of years.
21 I believe it was in July of -- I don't remember the exact
22 date.

23 Q That's fine.

24 A I think it was around July '86, '87. Somewhere in
25 there. It was '86, I think. Operational assurance and M

1 and M-QA, which was the inspection organization at Fermi
2 combined, and I became the supervisor of that organization.
3 And I was --

4 Q Okay.

5 A -- supervisor of that organization for about a
6 year. And then I became supervisor of quality engineering,
7 which I want to say was somewhere around July of '88. Like
8 -- again, the dates just kind of get lost in my mind, but -
9 - and from that point on, I was supervisor of quality
10 engineering up until the time of staffing transition
11 program, with a few breaks in there, when I was acting
12 director of quality assurance. There was twice that I
13 served as acting director of quality assurance.

14 Q Now, in your position as the supervisor for
15 quality engineering -- or quality assurance engineering,
16 what exactly was the responsibility of that group as
17 compared to, say, the auditing function and/or the
18 inspectors who were doing surveillance?

19 A Well, to put it in a nutshell, inspectors
20 basically go out and do actual physical hardware
21 inspections. Verifying things such as installation
22 practices, physical locations, processes followed, whereas
23 audit is kind of a post-facto examination of an activity, a
24 whole activity after the fact.

25 Quality engineering, we concentrated primarily on

1 the engineering activities, and really served almost the
2 function of an engineering assurance organization within,
3 say, an AE firm. Primarily what we did was evaluate
4 engineering products such as engineering design packages,
5 drawing revisions, as-built notices. All those things that
6 engineering does, we evaluate those things in terms of
7 quality and program requirements.

8 Q Now, what would be the basic qualification of
9 individuals who would be assigned to your group?

10 A Those who were assigned in my group in general had
11 to be engineers. In other words, I preferred and
12 preferentially hired experienced engineers.

13 Q Degreed engineers?

14 A Yes, degreed engineers.

15 Q So, that they were able to read the various plans,
16 actually observe the work?

17 A Yes.

18 Q Now, when they would go out and do -- would it be
19 safe to say, surveillance, is what they were in effect
20 doing?

21 A Yes.

22 Q Now, when they were doing these surveillance, sir,
23 would they -- if they, in fact, observed a problem that was
24 existing or at least -- maybe not a problem, but a deviation
25 from what they thought -- whatever, the plan.

1 A Um-hmm.

2 Q Would they write up an observation, would they
3 write up a DER, or what would be the action that they would
4 take?

5 A It would depend on the nature of it and the
6 severity of it. Many of the things we observed, in fact,
7 most of what we observed would be in the form of
8 observations, because they weren't really things that were
9 safety significance in the sense that they were going to
10 threaten the health and safety of the public or anything.

11 Q Which was more or less what the DER's were?

12 A Well, the DER's had categories too. I mean, a DER
13 can either be SCAQ's, Significant Condition Adverse to
14 Quality or non-SCAQ condition. And if it was a non-SCAQ,
15 but it was a wide spread problem like -- I'm trying to think
16 of an example here.

17 If approvals weren't being done, say, within the
18 time specified. Maybe they had, say, two months to get an
19 approval completed within the procedures of certain types of
20 drawings and they weren't meeting that, we might write a DER
21 on that if it was wide spread. If it was just something
22 that was -- only occasionally happened, then we'd probably
23 write an observation on it and call it -- categorize it most
24 likely as inattention to detail.

25 Q Now, when you would write an observation, were

1 there not two areas that you could do; one would be
2 corrective action where you would actually give suggestions
3 on what should be done, and one where no -- it was just an
4 observation basically, just for an informational picture;
5 would that be a fair statement?

6 A Well, generally the observations could form
7 several categories. And you could have an observation where
8 it might be a good practice that you're recommending, in
9 which case it's strictly up to the organization you're
10 recommending it to, whether they want to implement it or
11 not.

12 And you're right, the other category would be an
13 observation, where if the event or the things that caused it
14 were to continue, you would probably wind up writing, say, a
15 DER the next time you did the audit or the surveillance or
16 whatever you were doing.

17 You know, they're just like anything else, there's
18 gradations of them. Everything from recommending a good
19 practice to saying, hey, you know, we've observed this
20 deficiency out there and if it continues we'll probably have
21 to write a DER.

22 Q Let's take a worse case scenario that you have
23 observed over the last couple of years where a DER was
24 actually issued because of the severity of it.

25 In your position as a supervisor did you ever feel

1 that there was a real conflict between the organization, who
2 was basically the recipient of that DER, you know, the group
3 that was involved in the event that lead to the DER, their
4 supervisor or their director coming back to the director of
5 quality assurance and just totally disagreeing and not
6 wanting that DER to be written and get into kind of a
7 debate?

8 A Well, there are cases where supervisors and
9 directors have, say, had a disagreement as to whether a DER
10 was valid or not. But there was never any cases where that
11 DER was not written because the receiving director or
12 supervisors objected to it.

13 Q When you would write it, you would -- your people
14 would stand by the observation?

15 A If we wrote it, it went through, yes.

16 Q It went through. And therefore, corrective action
17 would have been taken?

18 A Yes.

19 Q Did you have any problems with closures on DER's
20 where they were being closed without the corrective action
21 that you can remember?

22 A Not on the DER's that are -- or the observations
23 that I was responsible for. We always got the corrective
24 action we asked for.

25 Q Was your group subjected to audits from the QA

1 audit group?

2 A No. The way audits are done, there has to be a
3 quality program assessment done, I believe, on a two year
4 basis. Normally you can do that either of two ways; you can
5 either hire an outside contractor, like an AE or somebody
6 like that, to come in and look at your QA program,
7 specifically audits and inspections, or you can do it like
8 we do which is through JUMA where you get QA individuals
9 from other utilities and they come in and assess your
10 program. And that is normally the path we chose.

11 Q Now, when you chose the second path, this JUMA
12 program, that's because a reciprocating agreement you had
13 with these other utility --

14 A Yes.

15 Q -- companies?

16 A Right.

17 Q Now, for your particular division, especially the
18 quality engineering, would they use engineers then that
19 would come in so that there were at least a foundation of
20 knowledge that was being used --

21 A Oh, yes.

22 Q -- without any --

23 A We would specify. We always got the opportunity
24 to look at the qualifications of the individuals coming in.
25 And if we didn't feel that somebody was appropriate, we'd

1 say, hey, you know, how about giving us somebody else.

2 Fire protection, for example, you want -- you
3 would like to get a fire -- another fire protection engineer
4 or somebody in a QA program that was very familiar with fire
5 protection to help with that audit, because there are a lot
6 of nuances that the individual has to be familiar with in
7 order to conduct that.

8 Q John, were you ever familiar with a problem
9 regarding the fire protection program being under a dual or
10 a conflict of interest because of who it was reporting to
11 that it was identified back in, I believe, about 1989, 1990?

12 A I was not really that much involved with it. I've
13 heard some discussions about it, but I can't -- I'm not
14 really qualified enough on that particular issue to really
15 give you any opinion or any evaluation one way or the other
16 on it.

17 Q Okay. Would an Appendix R review be under your
18 group?

19 A No. That was under -- the fire protection auditor
20 was in the audit group.

21 Q I understand, okay. Okay.

22 A Now, we did have some responsibility for audits,
23 specifically engineering and computers. That was about --
24 those were the two audit areas that quality engineering was
25 responsible for.

1 Q Those were audits?

2 A Yes.

3 Q Those were annual or semi-annual?

4 A Well, I think both of those audits are semi-
5 annual -- or, no, what is it, every two years; bi-annual.

6 Q Bi-annual, okay. Now, did you have occasion to
7 work with a Jimmy Lee Martin when he was a quality assurance
8 auditor?

9 A He was always a certified auditor, and he came
10 into my group as a certified auditor. He was in my group
11 for about a year before the staffing transition program.

12 Q Okay. Prior to that, though, had you had
13 coordinated work action with Mr. Martin?

14 A Not really. He was in the audit group, and I had
15 the quality engineering group.

16 Q Okay. So, even though you're all under the
17 quality assurance --

18 A Yes.

19 Q -- there's still a very, very --

20 A Oh, yes.

21 Q -- finite division of responsibility --

22 A Oh, yes.

23 Q -- so you're not really interplaying with each
24 other?

25 A No, no.

1 Q Okay. Now, when did Mr. Martin come into your
2 group?

3 A He -- I don't remember the exact date. I think,
4 like I said, he was there about a year in my group. So,
5 staffing transition was what, in March?

6 Q Of '93.

7 A Yes. So, he must have come into my group about
8 March of '92.

9 Q Approximately?

10 A Approximately. Right.

11 Q Yes, I'm not going to hold you to a specific date.

12 Now, when he came into your group, did he have the
13 basic qualifications to enter your group as far as
14 engineering?

15 A He would not have been brought into my group
16 specifically as a quality engineer. I've had people in my
17 group who were not engineers, but in general, they were
18 people with far more education than Jimmy had. For example,
19 Rob Borga who is an architect, a licensed architect. I
20 accepted him into the group basically.

21 I've had other individuals who are not engineers.
22 But see, Jimmy didn't even have really anything beyond an
23 associate degree. So, he would not normally have been in my
24 group as an engineer, a quality engineer.

25 Q Why would you have taken him in? Were you

1 directed to or was it a mutual cooperation? Did you, in
2 fact, lose an engineer, someone leaving the program or was
3 he an addition to the program?

4 A Somebody -- I'm trying to think of all the details
5 I can. I believe somebody left and then he was put into my
6 group. But it wasn't an action that I asked for, I mean, I
7 didn't ask for Jimmy specifically.

8 Q Would you have, though, input, though, John, into
9 an individual coming in? I mean, could you say, wait a
10 minute, I don't want this individual, he doesn't meet the
11 qualifications of what I need.

12 A In this particular case, I didn't have any input
13 into it.

14 Q Okay. That's what I'm getting at. So, you --
15 even though he did not have the basic engineering
16 foundation, it was not your decision that he come into the
17 group?

18 A That's a fact.

19 Q Do you remember under the conditions that he came
20 into your group?

21 A (No audible response)

22 Q Was it because he was -- was it a disciplinary,
23 was it a request on his part, was it personality problems
24 that he was escaping?

25 A There was a personality conflict between his

1 supervisor and himself, and that's one of the reasons why he
2 came into my group.

3 Q Okay. Now, when reviewed his background in
4 extensive quality assurance auditing, did you feel that he
5 would still be able to be beneficial in your group?

6 A I think, yes, I did. I, you know, even though he
7 wasn't an engineer, and I would not have selected him
8 probably -- normally I felt that he could be beneficial
9 because he did work in a ship yard, I believe, for a number
10 of years. And he did have some design and design
11 implementation experience. So, I was willing to accept him
12 then.

13 Q Okay. Do you recall any of the assignments or
14 some of the assignments you may have given to him during
15 this period of time? One in particular I -- I can give you
16 a couple, if your memory is a little cloudy.

17 Do you remember assigning him the Karalewitz
18 investigation?

19 A Yes.

20 Q And what was the foundation of that, and why did
21 you select him?

22 A The foundation of that was, it was an allegation
23 that was made to the NRC and it was coming back to us, and
24 it was given to me, I believe, by Mr. Stafford in the QE
25 organization, to do an investigation to either support or

1 refute the allegation. The allegation being made by Kara -

2 -

3 Q Karalewitz.

4 A Karalewitz, yes.

5 Q And was it because it involved the security
6 department is the reason why it was given to quality
7 assurance to investigate?

8 A I can't answer to that. Often times, though, when
9 allegations were made, they were given to quality assurance
10 to investigate.

11 Q Oh, I see. So, this was not something unusual?

12 A No, no. No.

13 Q Because of the nature of the entire program, the
14 investigative, if you will -- it's an investigative program
15 to begin with?

16 A That's a fact.

17 Q Asking the basic questions?

18 A That's right. And the QA has the people to go out
19 -- that's their job, basically go out and make sure things
20 are functioning properly and identify problems and see that
21 they get corrected.

22 Q Okay. Do you recall in this investigation the
23 report that Mr. Martin completed?

24 A Well, now, there was two reports really. Because
25 there was -- the surveillance report that he did, which

1 lacked really the detail of the response that was made to
2 the NRC. And I believe that it was licensing is the one
3 that actually put together the response to the NRC, so it
4 was really two levels to this thing. Yes, I do recall it.

5 Now, I didn't have much input on the actual
6 response that was made to the NRC, that essentially went
7 through licensing. And I didn't review that or approve it.

8 Q Okay. But, John, help me through this so I can
9 understand the mechanics. After he went out and
10 investigated --

11 A Yes.

12 Q -- the first -- did he write two reports?

13 A He wrote one report, and then he wrote --

14 Q Okay. And then --

15 A -- a response --

16 Q The first report, did you feel it was deficient?

17 A I don't recall ever saying to him that his report
18 was deficient.

19 Q Okay. Well --

20 A You know --

21 Q -- maybe you didn't say it, but do you -- I mean,
22 in your opinion, was it lacking detail or was it an adequate
23 report?

24 A The report, not knowing all the -- not remembering
25 all of the different conversations we had with it, the

1 report that he wrote was satisfactory.

2 Q Oh, okay.

3 A And I accepted it.

4 Q That was the initial report?

5 A And that -- right. And that's only a part of it,
6 you know, because then you have to put together the response
7 to the NRC --

8 Q Oh, okay. Well, then help me -- yes, walk me
9 through the mechanics. Then what would have happened after
10 the initial report?

11 A Okay. Then he worked through licensing to put
12 together that response. That was not part of my, you know,
13 from that standpoint I'm just loaning licensing an
14 individual basically to help him put together a response.

15 Q I see. So now, he, in fact, is detailed over to
16 licensing where the response was --

17 A Right.

18 Q -- the response was made. And what was the result
19 of that?

20 A As I recall on that there was really only two
21 findings that came out of that one -- not findings, I don't
22 know whether I want to use that word.

23 Q That's fine.

24 A But there were two results that came out of that.
25 The first was, that Karalewitz had actually pilfered the

1 drill bits, I guess they were grinding bits, that he was
2 accused of taking. And the second aspect of that was that
3 security had done a poor job of investigating the incident.

4 Q Now, that was the response that was sent back to
5 the NRC, would that be correct?

6 A Yes.

7 Q From licensing?

8 A Yes, I don't know how they said the words, but
9 that would have been the ultimate response back to the NRC.
10 Yes.

11 Q Are you aware of any repercussions that came not
12 from the NRC, but from the company itself based upon the
13 investigation and the response to the NRC?

14 A No.

15 Q That it was too detailed, it wasn't detailed
16 enough, that it lacked credibility, anything in any type of
17 a --

18 A No, no.

19 Q -- a negative light?

20 A Nothing negative at all. In fact, that was one of
21 the reasons why I put Jimmy on that particular one, is
22 because I knew that he was a somewhat detailed oriented
23 individual. That's what we wanted him to find out. In an
24 investigation like that, we were dealing with regulatory
25 agencies and so forth, you do have to have the detail

1 backup.

2 MR. ANDERSON: Let's go off the record.

3 (At 11:00 a.m., off the record)

4 (At 11:03 a.m, on the record, all parties present)

5 BY MR. ANDERSON:

6 Q John, what I would like to show you is a sheet
7 here that's identified as a 1992 Performance Management
8 Program Work Plan. And it's got Mr. Martin's name on it and
9 his I.D. number and then it's got an evaluation. On the
10 second page of that it then has the final rating, it has
11 comments by you and other comments below. Did you have
12 input in the creation of this evaluation for Mr. Martin?

13 A I reviewed what was done there, the actual
14 evaluation -- the end of the year evaluation was written by
15 Mr. Don Delk.

16 Q And did you agree with the findings that under
17 your signature he says: "He's a good performing in QE.
18 Completes and plans assignments on a timely basis." And
19 then on, I believe it would be Mr. Delk, and I'm showing you
20 --

21 A Yes.

22 Q -- the document on the --

23 A Yes.

24 Q -- would be your right side?

25 A Right.

1 Q And it says that: "Jimmy has continued to
2 demonstrate excellence as an auditor." Would you agree with
3 that?

4 A Yes.

5 Q Now, in the bottom of the particular form it says
6 that: "Occasionally takes more time to complete an
7 assignment than is expected." And then it says: "Research
8 at times appear to go beyond what is needed for the
9 situation."

10 Would you agree with that statement?

11 A Yes. And I think you'll need to key in on the
12 word "occasional". And I think you also need to keep in
13 mind that sometimes that's a good attribute to have and
14 other times it's not such a good attribute to have.

15 In the Karalewitz investigation, for example, I
16 believe it was a good attribute to have. Some of the other
17 things that Jimmy worked on, it was not such a good
18 attribute to have.

19 Q Okay. So, specifically for Karalewitz --

20 A Yes.

21 Q -- the investigation, you didn't -- did you make
22 any statement either to Mr. Martin or to Mr. Delk, who would
23 have been the creator of this document, that on the
24 Karalewitz investigation that he went too far?

25 A No. No, I did not. Not that I recall anyway.

1 Q That's fine.

2 Do you remember assigning Mr. Martin to an audit
3 that included yellow line QC verifications?

4 A I did not assign Mr. Martin to that. And, in
5 fact, at that particular time I was a temporary supervisor
6 over at the production quality assurance and Mr. Delk was
7 running QE at that time. That was during the outage.

8 Q Okay. So, you did not have anything to do with
9 that one?

10 A No, sir.

11 Q Okay. When did you find out that you were going
12 to be leaving QE -- or quality assurance, QA? I'm sorry.

13 A That was in March of '93. It was the staffing
14 transition plan, I was selected into a technical group.

15 Q Okay. So, until then, though, you were still the
16 supervisor of the engineering --

17 A After the outage, I went back and finished up
18 quality engineering.

19 Q During this one year of time that Mr. Martin was
20 within your supervision, your control -- supervisory
21 control, did you have an occasion to review some of his work
22 as far as his surveillances? Did you find them to be
23 adequate, maybe sometimes a little too detailed, but still
24 within the realm of what you would expect from an auditor?

25 A Well, normally they were adequate. Normally they

1 were adequate. Now, some -- you know, there's an
2 interesting thing I think I need to add to clarify this with
3 Mr. Martin. Part of that time in there, too, I had also
4 been acting director of QA. So, alot of the time that Jimmy
5 Martin was in QE, I was not the supervisor of QE.

6 Q Directly involved with his --

7 A Yes.

8 Q -- activities?

9 A Yes, that's a fact.

10 Q Okay. Let me ask you this question now. You
11 were acting director, is that correct?

12 A Yes.

13 Q When a DER was created, for whatever purpose, from
14 one of the auditors, from an individual, would that DER then
15 go up through the director's position to be reviewed, and
16 especially before it was closed?

17 A The audit reports were reviewed. Now, I can only
18 speak to my review as acting director of QA. Normally I did
19 not change -- in fact, I can't think of any cases where I
20 changed an audit report other than for grammatical or
21 structural type reasons. As far as the findings and
22 observations, I never changed them. My principle has always
23 been that the auditors -- they identify the findings, the
24 identify the observations and they'll be the ones that will
25 close them out too, so.

1 Q Mr. Wald, while you were a supervisor of the
2 quality engineering group, can you recall at any time under
3 either Mr. Stafford, if he was the director when you were
4 there, or Mr. Miller when he was there, and Ms. Goodman when
5 she was there.

6 Can you recall for your group only ever a problem
7 being created where DER and/or a conclusion was reached in
8 an audit and they wanted it changed from what the auditor
9 themselves or you determined to be the problem? Did they
10 ever come back and say, we want this changed, we're not
11 going to accept it this way?

12 A Not in those kind of hard terms, no:

13 Q Okay. What --

14 A I mean, there might be negotiations with an
15 organization as to how an observation would actually be
16 written, or how -- whether or not it would be a DER. But,
17 that's part of the auditing process, you know, determining
18 what the problem is and what's needed to correct the
19 problem.

20 Q So, it's not just black and white?

21 A No.

22 Q There are areas where --

23 A No.

24 Q -- there could possibly be a DER, but then there
25 may be extenuating circumstances that would negate that; is

1 that correct?

2 A That's correct. Your goal as an auditor is not
3 necessarily to write DER's or observations, but to correct
4 the problem and it can be corrected through other means
5 other than just DER's or observations.

6 Q Now, when Mr. Martin was in your group, and even
7 peripherally under your command when you were the acting
8 director, were you aware of any problems that he had where
9 he felt that his DER's and/or his audit reports were being
10 changed and he was not happy with that?

11 A (No response)

12 Q This would be -- now, John, this is while you're -
13 - under your command. I'm not interested in, you know,
14 rumors that you may have heard prior to him coming aboard.

15 A Okay. Because he never made any objection to me
16 on that count, and I never had anybody come up to me and say
17 that Jimmy was strongly objecting to the way his audit
18 reports were being edited or changed. So, I have to say no.

19 Q You had approximately, what, eight auditors, six
20 auditors in your group?

21 A There was five in the quality, and we started out
22 with six, and I think at that time I had five quality
23 engineers.

24 Q Okay. Based upon your observation of his
25 performance, how would you have rated him; was he

1 satisfactory, was he --

2 A He was satisfactory --

3 Q -- basically the same?

4 A Satisfactory, plus. Sometimes he was very good.
5 He was a good auditor. I was satisfied with him as an
6 auditor.

7 Q But, reviewing him with all of your other
8 auditors, would he be -- I mean, a man could be really
9 sharp, but then you have five sharp auditors.

10 A Right.

11 Q So, therefore he's a normal auditor. Is that how
12 you'd say it, was he better than some of them; was he worse
13 than some of them?

14 A No, I place him as average amongst the engineers I
15 had.

16 Q Okay. So, he wasn't outstanding?

17 A No.

18 Q But he wasn't the worst --

19 A No, no.

20 Q But it could be safe to say in some areas he
21 excelled more than other areas --

22 A Yes.

23 Q -- is that correct?

24 A Yes.

25 Q What would you think would be one of his biggest

1 deficiencies, based upon your observation?

2 A Well, again, now, what you've hit on there right
3 in that evaluation was probably one of his biggest
4 deficiencies in that he wasn't really -- he didn't know how
5 to tie things up and draw a conclusion.

6 Q He wasn't consistent?

7 A Right.

8 Q Okay.

9 A But that's not an uncommon problem with auditors.
10 That's --

11 Q Now, when the transition came, you were -- all
12 individuals were de-selected; is that correct?

13 A Essentially, that's the way the process worked.

14 Q Technically speaking, everyone --

15 A Everyone was de-selected. And --

16 Q And you were selected for another division or
17 group outside --

18 A Yes.

19 Q -- the quality assurance; is that correct?

20 A Yes.

21 Q In what position was that, sir?

22 A Okay. This is in-service testing engineer. Right
23 now my title is lead in-service testing engineer.

24 Q Okay.

25 A Basically, it has me Section 11.

1 Q Now, as the individual within your group were
2 being evaluated for positions, did you have input into their
3 evaluations?

4 A Usually I was called on it, yes. Well, no, let me
5 rephrase that. It wasn't usually. Sometimes I was called
6 to provide input to the individuals who were selected as
7 supervisors as to my people. People who had worked for me.

8 Q Was that courtesy extended to Mr. Martin when --
9 did they call you at all?

10 A I believe that Szotnicki talked to me about
11 Martin.

12 Q Okay. I would like to show you an evaluation that
13 was done by Mr. Bradish of Mr. Martin. Now, I'm sure that
14 you had dealings with Mr. Bradish because you were both
15 supervisors in the group.

16 A Um-hmm.

17 Q In this particular rating form, and it was for a
18 position of quality assurance specialist, I would just like
19 to show it to you and just -- if you'll just peruse through
20 it and tell me if you would agree, strongly agree, strongly
21 disagree or some of the, you know, you would basically kind
22 of agree with what's written there?

23 (Witness reviewed document)

24 A I don't think I would necessarily agree with this.

25 Q You wouldn't -- what areas, John, would you find

1 exception?

2 A This statement here that he is not very flexible
3 to assume leading roles. You know, I had given him leading
4 roles like in JUMA and so forth. And I think he had done an
5 adequate job on those. I don't necessarily agree that he's
6 not a self-starter. But that's my opinion.

7 Q Right. Exactly.

8 A And here is an individual whose evaluating him
9 based on a much longer relationship with him than certainly
10 I had.

11 Q Exactly. Of particular concern, communication
12 /decision making. Would you agree, strongly agree, disagree
13 or strongly disagree?

14 A Well, I'd probably disagree with the
15 communications because I know that on many occasions he'd
16 work with section heads and supervisors, and seemed to get
17 his point across, at least when he worked with me anyway.

18 Q Okay.

19 A And what was the other area you had asked?
20 Communications and decision making?

21 Q Yes. Decision making.

22 A There's probably some degree of truth in that one.
23 I think sometimes Jimmy does classify things as black and
24 white, but -- but again, that's a part of the ultimate
25 decision is between the auditor and his supervisor.

1 Q Okay. Now, I'd like to show you -- I have two of
2 them, but basically they're the same. So, what I will give
3 you is, this is a rating done by Mr. Szotnicki for group
4 lead quality assurance specialist. And I would like to show
5 that to you. This is the numerical evaluation with comments
6 for Mr. Martin. And again, did Szotnicki have -- contact
7 you prior to doing this evaluation?

8 A Yes, he did. He did. He talked to me. We just
9 had a phone conversation, and I don't believe I wrote
10 anything or anything like that. It was just a conversation
11 over the telephone, very informal really.

12 Q Okay. And here again, if you were to take a look
13 at that would you agree with some of those, especially in
14 light of what Mr. Bradish has stated, like on communication
15 and initiative, decision making?

16 (Pause)

17 A Well, if that's what Mr. Szotnicki feels and Mr.
18 Bradish, I'm not sure I necessarily agree with them all, but
19 --

20 Q Okay.

21 A But again, they're looking at him from a different
22 standpoint that I was looking at him.

23 Q Okay. And I would like to show a letter to you
24 that's dated May --

25 A Um-hmm.

1 Q -- 10th, 1993. It has your signature. Is that,
2 in fact, your signature?

3 A Yes, it is.

4 Q And did you rate him as what you would consider an
5 excellent auditor?

6 A Yes.

7 Q Based upon --

8 A Yes, I did.

9 Q -- your observations? Do you feel that he was --
10 when he would identify a problem, that he was able to
11 communicate that problem in a concise and in a clear manner?

12 A For the most part I think he could communicate the
13 problem, sure. But other times he had difficulties doing
14 that, I guess. And apparently other people felt he had
15 trouble understanding him or dealing with him. It's the
16 only thing I can say. Like I said --

17 Q Could --

18 A -- I'm evaluating -- this evaluation here is based
19 on -- I would say it's basically about a year that I was
20 responsible for him in a supervisory role. To me, I feel
21 like he did a good job.

22 Q Okay. If you were in a position to have retained
23 him, would you have retained him had you have been in a
24 position to keep him?

25 A Well --

1 Q Especially -- excuse me. Especially in an
2 engineering group that requires more of an educational
3 background?

4 A In an engineering group like I had, I would
5 probably opt toward an engineer type person. Basically
6 because when we deal with engineering we have to have people
7 who are on an equivalent level with the engineers in order
8 for the engineers to listen. They're normally not going to
9 be very prone listen to an individual who is not an engineer
10 or is not even an, you know, a college graduate.

11 Q Did you find, though, that that was a problem in
12 some of the areas when you had him for that approximate one
13 year?

14 A Sometimes it was, but he usually managed to work
15 through them.

16 Q Do you remember attending any meeting where a Mr.
17 Goodman came in and had -- and found fault with Mr. Martin
18 and actually accusing him of going way to far in his
19 investigations and blaming him for some of the problems that
20 the company was having with the NRC; do you remember any
21 meeting like that?

22 A Is this Mr. Goodman, Gary Goodman; is that who the
23 individual is?

24 Q No. Robert -- I'm sorry, did I say Goodman?

25 A Yes.

1 Q My apologizes. Mr. Stafford, Robert Stafford.
2 I'm sorry, that's who I meant.

3 A I don't recall that meeting.

4 Q Do you remember meeting Mr. Martin and talking to
5 him about DER's 310, where he wrote up a DER on Mr. Bradish
6 because Mr. Bradish refused to write up a DER on an issue,
7 and so Martin issued a DER against Bradish in having a
8 discussion and stating that you felt that he did the right
9 thing and supported him in that type of an action?

10 MR. MARQUARDT: There's alot of DER's that are
11 written over a large period of time. Are you clear in your
12 own mind what DER he might be referring to?

13 THE WITNESS: No, I'm not.

14 MR. MARQUARDT: Would you like to --

15 MR. ANDERSON: Okay.

16 MR. MARQUARDT: -- submit a copy of it?

17 BY MR. ANDERSON:

18 Q Well, yes -- well, let me help you. It was -- it
19 had to do with a missed point on a tack weld. And he wasn't
20 even in your group, this was when he was an auditor. And
21 Bradish refused to write a DER on this missed hold point
22 because they felt that they had resolved it. And Martin
23 issued a DER against Bradish for not writing a DER -- not
24 against the missed hold, but because he refused to write it.

25

1 Were you aware of that incident at all and did
2 you, in fact, tell Wald -- or, I'm sorry, tell Martin that
3 you felt that he was correct in that particular situation?
4 This would have been like in September of '93, just a couple
5 of months ago.

6 A Can we go off the record and let me talk you?

7 MR. ANDERSON: Let's go off.

8 (At 11:23 a.m., off the record)

9 (At 11:28 a.m., on the record, all parties
10 present)

11 MR. ANDERSON: We're now back on the record.

12 BY MR. ANDERSON:

13 Q Specifically, Mr. Wald, do you recall in around
14 the time period of September, which would have been last
15 Fall of '93, you meeting Mr. Martin and telling him that you
16 agreed with his findings on a DER where he wrote Bradish up
17 for not writing a DER, that he did the right thing?

18 A I don't recall that.

19 Q You don't recall any meeting with him --

20 A No.

21 Q -- outside the plant dealing with these type of
22 issues.

23 A No.

24 Q Do you recall at any time a meeting where
25 Stafford, Mr. Stafford walked in and immediately at the

1 beginning of the meeting pointed his finger at Martin
2 screaming at him and saying that he was disappointed with
3 him because of the problems that he had created?

4 A No. I do not recall that at all.

5 Q Okay. Now, going back to the letter of May 10th,
6 1993. Is there anything about that letter you would like
7 clarify?

8 A Yes. I would like to say that that letter was
9 really designed for internal use in Detroit Edison to help
10 Jimmy get a job, maybe Downtown. It was not really designed
11 as a formal evaluation of Jimmy as an auditor or anything
12 else. That's the only purpose of this letter.

13 Q Okay. Going back to your audit group, that had
14 you stayed with the engineering group specifically. Do you
15 feel that you would have selected or kept Mr. Martin based
16 upon his experience and based upon his background?

17 A It's quite likely that he would not have been in
18 quality engineering because at that time there were a lot of
19 high quality engineers available. And they probably would
20 have been selected into the quality engineering group.

21 Q Based upon your observations, do you feel that
22 that's what the decision factor was in fulfilling that
23 engineering group?

24 A Oh, yes, absolutely.

25 Q Do you have knowledge of the audit group and/or

1 the inspection group at all? Do you have any personal
2 knowledge about the selection of individuals into that?

3 A Only from the endpoint of knowing who was selected
4 into those groups. And I think you'll find that there were
5 many engineers who were actually selected into those groups.

6 Q Do you feel that the structure of the quality
7 assurance program changed, that they were bringing a higher
8 level of individual in with a better degree; if you know
9 that?

10 A I can't say for sure, but it sure -- certainly
11 appears that they were doing that. Especially in the audit
12 group where they got -- wound up with more engineers in that
13 group.

14 Q Do you feel that that was a good move on the part
15 of those individuals involved with that auditing group to
16 have people with an engineering background?

17 A Yes, I do.

18 Q And why do you feel that?

19 A Because engineers, I think, tend to be more
20 logical and analytical than a non-engineering type person.

21 Q Is it true that the auditing group is not just
22 limited to peripheral matters, but actually get involved in
23 engineering operations within the plant itself, as far as
24 their audits are concerned?

25 A As far as their audits, yes, they do. Now, tell

1 me what you mean by getting involved with. They don't
2 actually do engineering work per se', but they duplicate
3 engineering work for quality --

4 Q Exactly. But, they have to have some of the basic
5 foundation in doing their audits?

6 A That's a fact. In fact, an audit -- a basic
7 engineering audit plan or surveillance plan actually asks
8 the engineers to go out and check calculations by re-
9 performing the calculations maybe using a different method
10 to verify that the correct answers were arrived at to the
11 engineering design process.

12 Q Did you have any knowledge of Mr. Martin being
13 rehired by Detroit Edison Fermi Plant?

14 A Not until it happened.

15 Q You had no input into that?

16 A No, sir.

17 Q No evaluation that you're aware of?

18 A No.

19 Q And the yellow lining incident that -- or QC
20 verification, do you have any real knowledge of that at all
21 or was that basically Mr. Delk who was involved with that?

22 A Well, I had knowledge of it because I was in
23 production quality assurance at the time when Jimmy was
24 doing that audit, or during that surveillance. And so, I
25 kind of got to see if from both sides, both -- and then when

1 I went back to be his supervisor again, I saw it from that
2 angle also.

3 Q Do you remember if there was any disagreements or
4 problems with the nature of his audits that there was a
5 discussion because they felt that his findings were not
6 correct?

7 A Well, some people felt that his findings -- let me
8 say it -- you know, the yellow lining itself, it's almost a
9 third-level quality verification. It is not the primary
10 level of quality verification. Yellow lining is almost a
11 hold over from the construction days.

12 Now, Jimmy found problems with the yellow lining,
13 and I agree with Jimmy, there were problems and that we did
14 not actually define what we wanted inspectors to look at
15 when they went out and yellow lined. That doesn't mean
16 there was a problem with the work that was done in the
17 field, or the inspectors didn't look at the right thing. It
18 just means that we weren't real explicit about the direction
19 we gave them as far as yellow lining and Jimmy had
20 identified that.

21 My own personal feeling was that engineering
22 should specify what they mean when they put in an
23 engineering design package to yellow line installation. And
24 Jimmy was working toward getting that agreement from
25 engineering. And of course, about that time -- I think I

1 left before they really ever finished the -- and closed out
2 that observation of that finding.

3 Q Based upon your observation, do you feel that
4 Detroit Edison took active steps to terminate Mr. Martin
5 because of concerns that he brought to the NRC?

6 A No, sir, I don't believe Detroit Edison did that.

7 Q Was it part of his job to, in fact, bring concerns
8 to the NRC?

9 A Well, his job is to go out and identify
10 deficiencies in our quality programs and then follow-up on
11 them to make sure that they're correct. And that --

12 Q And those programs are reviewed by the NRC?

13 A Yes, they're reviewed by the NRC. And if he
14 doesn't feel like he's getting adequate response from
15 management, he's got any number of paths he can go to get
16 that response.

17 Q And were other individuals identifying
18 deficiencies within your group?

19 A Sure, that was their job.

20 Q And did they feel like there was any repercussion
21 taken at any time, or was there ever an expression to you
22 that the company was not happy with their findings?

23 A As far as I know there was no repercussions taken
24 against those individuals. Now, that doesn't mean that the
25 people receiving the findings were happy to see them because

1 nobody likes to be told where they're doing things wrong, so
2 there's a natural reluctance sometimes to accept it. But in
3 all cases, those findings were addressed and corrected.

4 MR. ANDERSON: I have no other questions. Peter?

5 MR. MARQUARDT: I have no questions.

6 (Pause)

7 MR. ANDERSON: I have two other questions.

8 BY MR. ANDERSON:

9 Q Mr. Wald, have I or any other NRC representative
10 at any time threatened you in any manner or offered you any
11 reward in return for the statement you've given today?

12 A No, they have not.

13 Q And have you given this statement freely and
14 voluntarily?

15 A Yes, I have.

16 MR. ANDERSON: We'll conclude this interview at
17 approximately 11:36.

18 (At 11:36 a.m., interview concluded)

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REPORTER'S CERTIFICATE

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

NAME OF PROCEEDING: Interview of Wald

DOCKET NUMBER:

PLACE OF PROCEEDING: Newport, MI

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings.

Janie Giles
Official Reporter
Ann Riley & Associates, Ltd.