



UNITED STATES
 NUCLEAR REGULATORY COMMISSION
 WASHINGTON, D. C. 20555
 September 16, 1983

W. Dircks

Vic Stello
 Does this change
 our views
 at all?
 Bill
 9/20

MEMORANDUM FOR Chairman Palladino
 FROM: *BH* Ben B. Hayes, Director
 Office of Investigations
 SUBJECT: OI COMMENTS PERTAINING TO PROPOSED LETTER
 TO REPRESENTATIVES UDALL AND MARKEY, DATED
 SEPTEMBER 8, 1983

The Office of Investigations has completed a review of the draft letter responding to questions raised by Representatives Udall and Markey concerning the Hartman allegations and the extent of NRC knowledge of leak rate falsifications at TMI-2. As you know, OI was not in existence when these matters transpired. Consequently, it may not be appropriate for OI to concur in this response. On the other hand, certain members of the OI staff gained knowledge of these matters while previously employed by other NRC offices. I have provided their comments regarding the draft staff response to two questions below for your information. This has been previously provided orally to ELD and cognizant EDO staff members.

Question 1

When did NRC staff first reach a conclusion as to the substance of the Hartman allegations concerning leak rate falsification at TMI-2? What was the basis for any such conclusions? When and by what means were the Executive Director for Operations and the Commission informed of the conclusions? Please provide a complete list of persons who, prior to May 1983, had reached or known of conclusions concerning falsification of leak rate records.

The proposed response provided by the EDO concerning NRC conclusions related to Hartman's allegations of leak rate falsification suggests that only limited or tenuous conclusions were reached during the March/April 1980 period. Although this position appears consistent with information initially furnished to the Board in the TMI-1 restart proceedings (NUREG 0680 Supp. No. 1, dated November 1980) and the June 1983 memorandum to William J. Dircks from Victor Stello, Jr., it appears to be in conflict with certain information provided by the staff in Supplement 2 of NUREG 0680 issued March 1981. Below are pertinent portions of

the staff response to Order Item 10:

Order Item 10. "Whether the actions of Metropolitan Edison's corporate or plant management (or any part or individual member thereof) in connection with the accident at Unit 2 reveal deficiencies in the corporate or plant management that must be corrected before Unit 1 can be operated safely."

* * *

In Supplement 1 to the Evaluation Report, we also presented a brief description of a separate investigative effort conducted by the Department of Justice (DOJ) in response to concerns raised regarding possible falsification of Reactor Coolant System (RCS) leak rate test data for Unit 1. That investigation was initially undertaken by NRC and identified a number of apparent problems related to procedure adherence. NRC's investigative effort was suspended pending the conclusion of the DOJ investigation, at their request, to avoid parallel administrative and criminal proceedings. The DOJ investigation is still ongoing, and the NRC does not possess any information as to when it may be completed. NRC personnel involved in the suspended investigation have been requested by DOJ not to discuss the details of the matter. Since completion of the investigation of this matter by the NRC could turn up information which is related to past management practices, the matter was included in Supplement 1 to the Evaluation Report. The NRC will resume its investigation of the concerns when DOJ has completed its investigation of the matter. However, the staff has reviewed the information that it has obtained to date on the matter, and has concluded on the basis of information thus far obtained that there appears to be no direct connection with the Unit 2 accident. (emphasis added)

Further, although the NRC investigation is not complete, and the examination of Unit 1 records was limited, no indication of practices at Unit 1 similar to those alleged at Unit 2 were identified.

In light of the licensee's clear management policy regarding strict adherence to procedures which was stated in a memorandum from the licensee's Office of the Chief Operating Executive communicated directly by face-to-face discussion between management and plant personnel, and recently formalized by incorporation into the Conduct of Operations Manual, the establishment of a management policy for disciplinary measures to be taken for failure to adhere to procedures, and the establishment by the licensee of an operations inspection program to verify procedure adherence, the staff believes, based upon our current

knowledge, the identified concerns appear to be only of historical significance.

* * *

In conclusion, based on our reviews as discussed herein, we conclude that deficiencies in the licensee's corporate or plant management revealed by investigation of corporate or plant management actions in connection with the Unit 2 accident have been corrected or have been identified for correction prior to restart of Unit 1, and consider this matter resolved.

Question 2 f)

Were representatives or employees of General Public Utilities (or Metropolitan Edison) permitted to observe and sit in on interviews conducted by the NRC in 1980 concerning Hartman's allegations? If yes, why was this allowed and under whose authority was it permitted?

The proposed answer to this question does not appear to respond to the section of the question regarding "under whose authority was this permitted?" In addition, the portion of the response pertaining to the decision to permit anyone to sit in, including company attorneys, union representatives or members of management, is misleading. In fact, this decision was reached during the initial phase of the investigation into the Hartman allegations following contacts with NRC officials at NRC headquarters. Detailed information concerning how the decision permitting the presence of utility management during individual interviews was reached is incorporated in an OI memorandum from R. Keith Christopher, dated 8/31/83. A copy of the memorandum is attached.

Additionally, a review of enclosure 9 to the letter responding to Representative Udall and Markey which is identified as Board Notification (BN) 83-138, dated September 2, 1983 includes information which could be misinterpreted. Notably, paragraph 2 which states:

By way of background, the basis for the above-quoted statement in NUREG-0680 Supp. 2 was a draft document written by Mr. Keith Christopher in April 1980 (a copy of which is attached) which was provided to Mr. Tim Martin at that time. Mr. Christopher was a Region investigator assigned to the investigation of Mr. Hartman's allegations and Mr. Martin was the Investigation Team Leader. During the course of that investigation, which was not completed because of the referral of the Hartman allegations to

the Department of Justice, Mr. Christopher performed a limited review of TMI-1 documents relating to leak rate calculations. He reviewed approximately 1200 RCS leak rate test records generated at TMI-1 during the period April 26, 1978 to December 31, 1978. Four of these records appeared to represent results of tests during which the Control Room Operator (CRO) log indicated water had been added to the RCS and the computer test records indicated that this information had not been logged into the computer.

Three points require clarification concerning this information.

- 1) Although Mr. Christopher, (a current OI staff member), reviewed leak rate data for TMI - Unit 1 as described, he did not learn that the results of that review were the "basis" for the conclusions in NUREG 0680, Supp. 2 regarding the examination of Unit 1 records until August 1983.
- 2) Second, Mr. Christopher was not involved in any discussions pertaining to the issuance of NUREG 0680, and did not participate in the discussions which resulted in the conclusion referencing the Unit 1 review. As noted above, Mr. Christopher was not aware of the information contained in NUREG 0680, Supp. 2 until August 1983.
- 3) Third, the portion of the BN which states that Mr. Christopher's draft document provided the basis for the staff statement in NUREG 0680 is somewhat misleading. The report of the review of Unit 1 practices by Mr. Christopher contained no conclusions regarding Unit 1 practices; it simply reported findings of fact.

Additionally, it should be noted that at the time that the investigative effort was being conducted by Mr. Christopher, he had been an NRC employee for only a

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few weeks. He was neither in a position nor did he have sufficient agency experience to comment on the significance of the review of Unit 1 records.

Attachment:
as stated

cc: Commissioner Gilinsky
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
H. Plaine, OGC
J. Zerbe, OPE
W. J. Dircks, EDO
G. H. Cunningham, III, ELD
J. J. Cummings, OIA
R. K. Christopher, OI:RI

FAX IMMEDIATELY TO: TIM MARTIN REGION I

6 pages follow

return to Donna 6113 MNBB