

ENCLOSURE

U.S. NUCLEAR REGULATORY COMMISSION  
REGION IV

Inspection Report: 50-498/96-16  
50-499/96-16

Licenses: NPF-76  
NPF-80

Licensee: Houston Lighting & Power Company  
P.O. Box 1700  
Houston, Texas

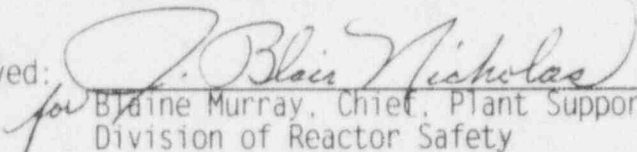
Facility Name: South Texas Project Electric Generating Station, Units 1 and 2

Inspection At: Bay City, Texas

Inspection Conducted: February 26 through March 1, 1996

Inspectors: Thomas W. Dexter, Senior Physical Security Specialist  
Plant Support Branch

A. Bruce Earnest, Physical Security Specialist  
Plant Support Branch

Approved:   
for Blaine Murray, Chief, Plant Support Branch  
Division of Reactor Safety

3/21/96  
Date

Inspection Summary:

Areas Inspected: A special, announced inspection of the licensee's access authorization program was conducted. The inspectors used NRC Temporary Instruction 2515/127, "Access Authorization," dated January 17, 1995.

Results:

Plant Support

- The human resource staff operating the access authorization program were professional and performed their duties in an excellent manner. There was excellent management support for the access authorization program (Section 1.1).
- All background investigation screening files reviewed were generally thorough but in their present form were difficult to audit. An unresolved item was identified concerning the verification of visas for emigrants (Section 1.2).

- An excellent psychological evaluation program had been implemented. The psychologist had developed standards for use in reviewing test results and ensured these results were submitted in a timely manner (Section 1.3).
- Supervisors and managers were very knowledgeable of their duties and responsibilities within the access authorization program. They had very good knowledge of the continual behavior observation program (Section 1.4).
- An excellent program to reinstate and transfer access authorization was in place. The licensee ensured that temporary unescorted access did not exceed 180 days and that a full background investigation was normally completed within 180 days (Section 1.5).
- An excellent program for denying or revoking unescorted access authorization was in place. The licensee had an appeal process, and personnel denied access were advised of their right to appeal that denial (Section 1.6).
- A program was in place to protect personal information from unauthorized disclosure. A non-cited violation was identified involving the failure to ensure that access to personal information was limited to those staff members with a need for access (Section 1.7).
- The audits and surveillance of the access authorization program were very good, but concerns were identified with the questioning attitude of the auditors and the intrusiveness of the audits. Audits were completed in a timely manner (Section 1.8).
- An excellent records retention system and supporting procedures were in place to insure that the required records were retained for the correct period of time (Section 1.9).

Summary of Inspection Findings:

- An Unresolved Item 498/9616-01; 499/9616-01 was opened (Section 1.2).
- A non-cited violation was identified (Section 1.7).

Attachment:

- Attachment - Persons Contacted and Exit Meeting

## DETAILS

### 1 ACCESS AUTHORIZATION (TEMPORARY INSTRUCTION 2515/127)

On April 25, 1991, the Commission published the Personnel Access Authorization Requirements for Nuclear Power Plants, 10 CFR 73.56, which required that each licensee authorized, on that date, to operate a nuclear reactor implement an access authorization program by April 27, 1992, to comply with the requirements of the rule, and that such program be incorporated into the licensee's Physical Security Plan. The rule further required that licensees maintain an access authorization program to provide high assurance that individuals granted unescorted access were trustworthy and reliable and did not constitute an unreasonable risk to the health and safety of the public, including a potential to commit radiological sabotage.

This inspection assessed the implementation of the licensee's access authorization program.

#### 1.1 Access Authorization Program Administration and Organization

Responsibility for overall management of the access authorization program was assigned to the human resource department. The manager of human resources or his designee were responsible for granting initial full unescorted access authorizations, authorizing temporary access authorization, and for authorizing reinstatements and transfers of access authorization at the South Texas Project.

The inspectors interviewed program administrators and determined that they were professional and performed their duties in an excellent and a responsible manner. The inspectors reviewed the licensee's access authorization program policy and procedure. The inspectors noted that the procedure was concise and contained specific guidance necessary to implement the program.

The inspectors determined, through interviews with plant staff and management, that there was excellent management oversight and support for the program.

#### 1.2 Background Investigations

The inspectors reviewed records and conducted interviews to determine the adequacy of the program. The inspectors also reviewed information concerning the licensee's verification of identity, employment history, educational history, credit history, criminal history, military service, and the character and reputation of the applicants, before granting individuals unescorted access to protected and vital areas.

The inspectors reviewed approximately 42 background investigation files. The reviewed files included the following: 11 files for transfer from other utilities, 9 files for reinstatement, 10 files for full 5-year background investigations, 6 files for 180-day temporary access authorizations, and

6 files that resulted in denial of access. The files were generally thorough except for the issues discussed below.

The inspectors requested the records on the full 5-year background investigations described above. The licensee did not have the complete files available at the plant. The access authorization program at the South Texas Project uses Baley, Hinchey, Downes & Associates, Inc., as a subcontractor to conduct the background investigations for the program. The only information received from the subcontractor was a brief synopsis of the investigation without the field notes or hard file documents. At the request of the inspectors, the licensee requested the field notes or hard file information from the subcontractor. The subcontractor was able to respond with the information in a timely manner.

During the review of the information, the inspectors determined that the backup handwritten data was hard to read and in two instances did not identify the source that the subcontractor had received the confirmatory information from that the synopsis referenced. One of the applicant files referenced two different employment periods with the same agency. When the inspectors reviewed the applicant's personnel history questionnaire, they determined that the applicant had failed to list one of the periods of employment. The subcontractor did not document the second period of employment in the synopsis sent to the licensee. The employment in question was certified as a "best effort" by the subcontractor without finding out if the applicant was eligible for rehire or had exhibited aberrant behavior at the time of employment. A member of the licensee's staff contacted the employer at the request of the inspectors. The employment information was quickly forthcoming and indicated derogatory information about the employee. The licensee suspended the individual's unescorted access. The individual's plant supervisor was interviewed by the access program manager. He had no concerns with the work performed by the individual. The individual was interviewed by the access manager about the omission of the information from his personal history questionnaire. The access program manager accepted the individual's explanation of why he had left the information off of the form. The access program manager subsequently reinstated the individual's unescorted access. The failure of the subcontractor to develop this information could have created a problem wherein an applicant would be granted access when, if the licensee had all the information, access would not have been granted. However, in this instance, the licensee would have granted unescorted access authorization.

Two other files were reviewed which indicated that two applicants who had been granted access were not citizens of the United States. While the rule requires positive identification (positive identification was obtained from a drivers license), it is reasonable to expect that criminal information, even from a foreign country would be obtained. That effort was not made. The personnel history questionnaire contained visa numbers that could have been utilized to determine if the applicants were illegal emigrants. The guidance in Regulatory Guide 5.66 is unclear on checking of visas for emigrants. This is an unresolved item pending receipt of guidance from the Office of Nuclear

Reactor Regulation Safeguards Branch as to expectations about determining the legal status of emigrants (URI 498/9616-01; 499/9616-01).

### 1.3 Psychological Assessments

The inspectors reviewed the licensee's program for administering psychological tests and the methodology of evaluating the results. Regulatory Guide 5.66 requires that the tests must be evaluated by qualified and, if applicable, licensed psychologists or psychiatrists.

The licensee had developed an excellent procedure for the psychological evaluation portion of the program. The psychological tests were given at the site, and they were always proctored by the licensee's staff to prevent compromise. Persons taking the tests were positively identified. The licensee was aware of NRC Information Notices addressing access authorization concerns in the area of psychological testing.

The licensee had contracted with a psychologist in Lake Jackson, Texas, to evaluate the test results of individuals seeking access. The contract psychologist had standards for use in reviewing test results.

### 1.4 Behavioral Observation

The licensee's behavioral observation program was inspected to determine if the licensee had a training and retraining program in place for supervisors and managers. The supervisors and managers were required to be trained regarding awareness and sensitivity to detect and report changes in behavior that could adversely affect trustworthiness and reliability and to refer those persons to appropriate licensee management for evaluation and action.

The inspectors interviewed seven managers and supervisors and determined that all were very knowledgeable of their responsibilities for observing employee behavior and what to do if an employee reported being arrested to them.

The inspectors also determined from interviewing personnel that the licensee had notified individuals of their responsibility to report all arrests that could affect their trustworthiness.

### 1.5 Grandfathering, Reinstatement, Transfer, and Temporary Access Authorization

Records were reviewed to determine if the licensee was correctly grandfathering, reinstating, transferring, and granting temporary access authorizations.

The licensee was conducting psychological testing and background investigations before the implementation of the rule and did not have to grandfather any employees. The inspectors reviewed several examples of access authorization transfers completed by the licensee. The licensee's reinstatement program was excellent.



The inspectors reviewed the temporary access authorization files on several employees. The licensee had a system in place to prevent temporary unescorted access in excess of 180 days. The licensee ensured that a full background investigation was normally completed within 180 days. All other elements of the access authorization program were met.

#### 1.6 Denial or Revocation of Unescorted Access

The manager of human resources or his designee evaluated an individual's composite screening results before denying or revoking unescorted access authorization.

The licensee's program for denying or revoking unescorted access authorization was excellent. The inspectors reviewed background investigation files in which fingerprint submittals were returned with a criminal record. The inspectors reviewed the rationale used by the licensee in its decision in each instance for denial. The criteria used by the licensee was consistent and fair. The persons denied access were notified of the denial of access and of their right to review and reply to anything in the records used as a reason for the access denial. These persons were also provided with information on the appeal process that was available to them. A management review panel, composed of the General Manager, Nuclear Assurance and Licensing, Manager, Plant Protection Services, and the Manager, Planning, Assessment and Controls, review all appeals and render a final decision.

#### 1.7 Protection of Personal Information

The licensee's efforts to protect personal information was satisfactory with one exception. The inspectors interviewed the licensee's staff and management to ascertain that personal information was protected from disclosure to anyone without a need to know and authority to have access to that information. The inspectors determined by observation that completed background information files were kept in a locked vault with numerous other site records. The background information files were stored in open envelopes on shelves in one section of the vault.

10 CFR 73.57(f)(1) requires "Each licensee who obtains a criminal history record on an individual under this section shall establish and maintain a system of files and procedures for protection of the record and personal information from unauthorized disclosure.

10 CFR 73.57(f)(2) states, in part, "the licensee may not disclose the record or personal information collected and maintained to persons other than the subject individual, his/her representative, or to those who have a need to have access to the information in performing assigned duties in the process of granting or denying unescorted access to the nuclear power facility or access to safeguards information."

During a review of records in the vault on February 28, 1996, the inspectors observed a list of personnel posted on the interior of the vault door. In

addition to the access program personnel, there were over 25 other plant employees with the combination to the vault. These individuals had unmonitored access to all the personal records on file.

The licensee immediately began corrective actions. The access program manager assigned several access program staff members to seal all of the records. That corrective action was completed by February 29, 1996. The licensee also significantly reduced the number of personnel with unmonitored access to the vault. The access program manager also conducted training for all personnel with access to the vault and those involved in the transfer of the original records to optical imaging. The training covered the handling, protection, and communicating of the personal information contained in the records. Based on the licensee's rapid and comprehensive corrective actions this violation is being treated as a non-cited violation, consistent with Section VII.B.1 of the NRC Enforcement Policy.

### 1.8 Audits

The inspectors reviewed the audit program to determine if audits of sufficient depth were conducted. The licensee's records included copies of several audits of contractor programs. Some of the audits were performed by other licensees and, according to the regulations, were accepted by the licensee to satisfy their own audit requirements. In addition, the licensee provided copies of contractor program audits. The licensee retained responsibility for the effectiveness of the contractors' programs and for the implementation of appropriate corrective actions by the contractors.

The inspectors determined that the licensee had conducted a review of the audits completed by other licensees. The inspectors also reviewed the audits of the licensee's access authorization program and self-screening contractor assessments conducted by the licensee's quality assurance department. The audits of the site access authorization program were excellent and completed in a timely manner. Audits completed during the past 24 months were completed by utilizing licensee's resources. The 12-month audit of self-screening contractors was completed by using licensee's resources in conjunction with outside resources.

During this inspection, the inspectors determined, through a review of audit reports and interviews with quality assurance staff members, that the audits of licensee approved self-screening contractors could be more intrusive or the auditors could have had more of a questioning attitude of issues identified in the audit reports. For example, in one record the self-screener directed their background screening company to accept, as best effort, a single contact with a previous employer who stated that they had no record of the individual working for the company during the period listed. The employment discrepancy was identified as a problem during the audit and was effectively resolved. What was not addressed was the self-screening company directing the background screener to use a single check as a best effort. The auditors should have pursued this issue as well. This issue was discussed with the licensee at the exit meeting on February 29, 1996.

### 1.9 Record Retention

The inspectors reviewed the licensee's records retention activities in order to ensure that records on access authorization were retained for the appropriate time.

The licensee maintained the personal access records with numerous other records in a concrete vault at the plant site. The inspectors determined that the licensee's procedure for records retention correctly identified the required records and their retention periods.



## ATTACHMENT

### 1 PERSONS CONTACTED

#### 1.1 Licensee Personnel

- \*J. Groth, Vice President, Nuclear Generation
- \*B. Brown, Senior Access Coordinator
- \*D. Brune, Associate Access Coordinator
- \*J. Carlin, Manager, Nuclear Training Department
- \*J. Drymiller, Supervisor, Security
- \*M. Woodard-Hall, Supervisor, Security Support
- \*S. Head, Supervisor, Compliance
- \*J. Hinson, Manager, Access Authorization
- \*B. Kruse, Senior Quality Assurance Specialist
- \*M. Lance, Junior Coordinator, Security
- \*L. Martin, General Manager, Nuclear Assurance and Licensing
- \*L. Matula, Supervisor, Safety Support
- \*M. McBurnett, Licensing Manager
- \*P. Morales, Coordinator, Security
- \*C. Ottino, Senior Access Coordinator
- \*E. Pomeroy, Supervisor, Security
- \*W. Redd, Director, Records Management System and Administration
- \*R. Rehkugler, Director, Quality Assurance
- \*C. Sayko, Manager, Plant Projects
- \*D. Schulker, Compliance Engineer
- \*J. Sheppard, Assistant to Executive Vice President
- \*F. Timmons, Manager, Security
- \*F. Wagar, Manager, Human Resources and Access Authorization
- \*R. Young, Associate Access Coordinator

#### 1.2 NRC Personnel

- \*J. Keeton, Resident Inspector

In addition to the personnel listed above, the inspectors contacted other personnel during this inspection.

\*Denotes those present at the exit meeting.

### 2 EXIT MEETING

An exit meeting was conducted on February 29, 1996. During this meeting, the inspectors reviewed the scope and findings of the inspection. The licensee did not express a position on the inspection findings documented in the report. The licensee did not identify as proprietary, any information provided to, or reviewed by the inspectors.