

FOIA - 91-187

RESPONSE TYPE

FINAL

PARTIAL

DATE

OCT 8 6 1991

DOCKET NUMBER(S) (if applicable)



MADDOX

RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) REQUEST

REQUESTER

Christine Zack

PART I. - AGENCY RECORDS RELEASED OR NOT LOCATED (See checked boxes)

No agency records subject to the request have been located.

No additional agency records subject to the request have been located.

Requested records are available through another public distribution program. See Comments section.

Agency records subject to the request that are identified in Appendix(es) D are already available for public inspection and copying at the NRC Public Document Room, 2120 L Street, N.W., Washington, DC.

Agency records subject to the request that are identified in Appendix(es) E are being made available for public inspection and copying at the NRC Public Document Room, 2120 L Street, N.W., Washington, DC, in a folder under this FOIA number.

The nonproprietary version of the proposal(s) that was/were accepted in a telephone conversation with a member of my staff is now being made available for public inspection and copying at the NRC Public Document Room, 2120 L Street, N.W., Washington, DC, in a folder under this FOIA number.

Agency records subject to the request that are identified in Appendix(es) _____ may be inspected and copied at the NRC Local Public Document Room identified in the Comments section.

Enclosed is information on how you may obtain access to and the charges for copying records located at the NRC Public Document Room, 2120 L Street, N.W., Washington, DC.

Agency records subject to the request are enclosed. [Appendix E documents are enclosed.]

Records subject to the request have been referred to another Federal agency(ies) for review and direct response to you.

Fees

You will be billed by the NRC for fees totaling \$ _____

You will receive a refund from the NRC in the amount of \$ _____

In view of NRC's response to this request, no further action is being taken on appeal letter dated _____, No. _____

PART II. A - INFORMATION WITHHELD FROM PUBLIC DISCLOSURE

Certain information on the requested records is being withheld from public disclosure pursuant to the exemptions described in and for the reasons stated in Part II, B, C, and D. Any released portions of the documents for which only part of the record is being withheld are being made available for public inspection and copying in the NRC Public Document Room, 2120 L Street, N.W., Washington, DC in a folder under this FOIA number.

COMMENTS

9207140281 911030
PDR FOIA PDR
ZACK91-187

SIGNATURE, DIRECTOR, DIVISION OF FREEDOM OF INFORMATION AND PUBLICATIONS SERVICES

Donna H. [Signature]

**RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) REQUEST
(CONTINUATION)**

FOIA NUMBER(S)

FOIA -- 91-187

DATE

OCT 30 1991

PART II. B - APPLICABLE EXEMPTIONS

Records subject to the request that are described in the enclosed Appendix(es) F are being withheld in their entirety or in part under the Exemption 7(C) (s) and for the reason(s) given below pursuant to 5 U.S.C. 552(b) and 10 CFR 9.17(a) of NRC regulations:

1. The withheld information is properly classified pursuant to Executive Order. (Exemption 1)

2. The withheld information relates solely to the internal personnel rules and procedures of NRC. (Exemption 2)

3. The withheld information is specifically exempted from public disclosure by statute indicated. (Exemption 3)

Sections 141-145 of the Atomic Energy Act, which prohibits the disclosure of Restricted Data or Formerly Restricted Data (42 U.S.C. 2161-2165).

Section 147 of the Atomic Energy Act, which prohibits the disclosure of Unclassified Safeguards Information (42 U.S.C. 2167).

4. The withheld information is a trade secret or commercial or financial information that is being withheld for the reason(s) indicated. (Exemption 4)

The information is considered to be confidential business (proprietary) information.

The information is considered to be proprietary information pursuant to 10 CFR 2.790(d)(1).

The information was submitted and received in confidence pursuant to 10 CFR 2.790(d)(2).

5. The withheld information consists of interagency or intraagency records that are not available through discovery during litigation. (Exemption 5). Applicable Privilege:

Deliberative Process: Disclosure of predecisional information would tend to inhibit the open and frank exchange of ideas essential to the deliberative process. Where records are withheld in their entirety, the facts are inextricably intertwined with the predecisional information. There also are no reasonably segregable factual portions because the release of the facts would permit an indirect inquiry into the predecisional process of the agency.

Attorney work-product privilege. (Documents prepared by an attorney in contemplation of litigation.)

Attorney-client privilege. (Confidential communications between an attorney and his/her client.)

6. The withheld information is exempted from public disclosure because its disclosure would result in a clearly unwarranted invasion of personal privacy. (Exemption 6)

7. The withheld information consists of records compiled for law enforcement purposes and is being withheld for the reason(s) indicated. (Exemption 7)

Disclosure could reasonably be expected to interfere with an enforcement proceeding because it could reveal the scope, direction, and focus of enforcement efforts, and thus could possibly allow recipients to take action to shield potential wrongdoing or a violation of NRC requirements from investigators. (Exemption 7 (A))

Disclosure would constitute an unwarranted invasion of personal privacy. (Exemption 7(C))

The information consists of names of individuals and other information the disclosure of which could reasonably be expected to reveal identities of confidential sources. (Exemption 7 (D))

OTHER

PART II. C - DENYING OFFICIALS

Pursuant to 10 CFR 9.25(b) and/or 9.25(c) of the U.S. Nuclear Regulatory Commission regulations, it has been determined that the information withheld is exempt from production or disclosure, and that its production or disclosure is contrary to the public interest. The persons responsible for the denial are those officials identified below as denying officials and the Director, Division of Freedom of Information and Publications Services, Office of Administration, for any denials that may be appealed to the Executive Director for Operations (EDO).

DENYING OFFICIAL	TITLE/OFFICE	RECORDS DENIED	APPELLATE OFFICIAL		
			EDO	SECRETARY	IG
Ben B. Hayes	Director, Office of Investigations	F/1-5, F/7-14, F/16, F/18	X		
Bert Davis	Regional Administrator, Reg. III	F/6, F/15, F/17	X		

PART II. D - APPEAL RIGHTS

The denial by each denying official identified in Part II.C may be appealed to the Appellate Official identified there. Any such appeal must be made in writing within 30 days of receipt of this response. Appeals must be addressed, as appropriate, to the Executive Director for Operations, to the Secretary of the Commission, or to the Inspector General, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and should clearly state on the envelope and in the letter that it is an "Appeal from an Initial FOIA Decision."

APPENDIX D
DOCUMENTS ALREADY AVAILABLE IN THE PDR

NUMBER	DATE	DESCRIPTION
1.	1/7/81	Letter from V. Stello to S. H. Howell, with Appendices A and B. PDR Accession No. 810120058b
2.	10/23/81	Letter from David Calkins, Zack Company, to William Harrington. PDR Acc. No. 8305190112
3.	5/11/82	Memo from W. D. Shafer to R. F. Warnick, subject: Zack Company Allegations. PDR Acc. No. 8305190307
4.	5/12/82	Memo from D. W. Hayes to Region III Files, subject: Meeting With President of a Nuclear Plant Contractor Regarding Potential Allegations. PDR Acc. No. 8305190050
5.	5/21/82	Memo from G. A. Phillip to Region III Files. PDR 8305190061
6.	7/16/82	Affidavit of E. Earl Kent given to Government Accountability Project (GAP). PDR Acc. No. 8704150374 [filed with 4/13/87 partial response to FOIA-85-213.]
7.	7/23/82	Affidavit given to GAP by Charles Grant III. PDR Acc. No. 8402100018
8.	7/25/82	GAP memo from Laura Hedel to Thomas Devine, subject: Verification of Zack Company Allegations: Mark Cioni. PDR Acc. No. 8402100021
9.	7/26/82	Letter from B. Garde and T. Devine, GAP, to Chairman Palladino. PDR Acc. No. 8305190097
10.	7/26/82	Affidavit given to GAP by Albert T. Howard. PDR Acc. No. 8305190108

APPENDIX D
DOCUMENTS ALREADY AVAILABLE IN THE PDR
(Continued)

NUMBER	DATE	DESCRIPTION
11.	7/26/82	Affidavit given to GAP by Sharon L. Mareello. PDR Acc. No. 8305190102
12.	7/27/8.	Letter from B. Garde and T. Devine to Chairman Palladino. PDR Acc. No. 8305190124
13.	8/4/82	Letter from James Foster to Albert Howard. PDR Acc. No. 8402100045
14.	8/19/82	Letter from R. L. Spessard to J. W. Cook, with Inspection Report No. 50-329/82-15; 50- 330/82-15. PDR Acc. No. 8209030396
15.	8/20/82	Receipt signed by A. T. Howard. PDR Acc. No. 8305190207
16.	9/6/82	Letter from Billie Garde to James Keppler, NRC Region III. PDR Acc. No. 8704150425
17.	9/7/82	Memo from J. Foster to J. Keppler, subject: Initial Actions Taken, Investigation of Zack Allegations. PDR Acc. No. 8305190306
18.	10/12/82	Letter from J. Keppler to Billie Garde. PDR Acc. No. 8406050008
19.	12/22/82	Letter from J. Keppler to Cordell Reed, Commonwealth Edison Company, transmitting copy of special safety inspection. PDR Acc. No. 8301250382
20.	2/25/83	Letter from Denis Wiktor, GAP, to Wayne Shafer, NRC Region III. PDR Acc. No. 8406040403
21.	8/8/83	Letter from R. L. Spessard to Mark Cioni. PDR Acc. No. 8308110200

APPENDIX D
DOCUMENTS ALREADY AVAILABLE IN THE PDR
(Continued)

NUMBER	DATE	DESCRIPTION
22.	8/8/83	Letter from R. L. Spessard to Sharon Mareello. PDR Acc. No. 8308110283
23.	11/8/83	Memo from C. Bechhoefer to J. A. Fitzgerald. PDR Acc. No. 8311100204
24.	3/7/84	Letter form R. L. Spessard to J. W. Cook, with Inspection Report 50-329/83-08; 50- 330/83-08. PDR Acc. No. 8403220146

APPENDIX E
DOCUMENTS BEING PLACED IN THE PDR

NUMBER	DATE	DESCRIPTION
1.	7/30/82	Preliminary Notification of Event or Unusual Occurrence - PNO III-82-71. (1 page)
2.	8/6/82	Statement of Bruro S. Blachowicz. (2 pages)
3.	8/13/82	News article: "Nuclear plant licensing issues focus of nine-hour conference." (1 page)
4.	8/16/82	News article: "New n-plant contentions allowed." (1 page)
5.	9/1/82	Memo from W. D. Shafer to A. B. Davis, subject: Zack Allegations Made by Government Accountability Project. (4 pages)
6.	11/15/82	Memo from J. E. Findley, Baldwin Associates, to D. P. Hall, subject: Zack Plan of Action. (6 pages)
7.	11/15/82	Memo from D. E. Korneman to J. E. Findley, subject: HVAC Meeting - 11/12/82. (2 pages)
8.	11/22/82	Memo from G. W. Bell to J. Findley, subject: Surveillance Findings C-89-069, C-82-070. (8 pages)
9.	11/26/82	Office of Investigations Report of Inquiry: Alleged Improper/Unauthorized Destruction of Zack Company Records at the Clinton Nuclear Power Station (OI No. 3-82-025) (55 pages)
10.	12/13/82	Statement to NRC of Cecil Baumgardner. (2 pages)
11.	1/24/83	Statement to NRC of Frank Daniels. (4 pages)
12.	5/25/83	Memo from B. Hayes to J. Keppler, subject: Zack Company -Alleged Improper Alteration of Quality Assurance Records. (1 page)

APPENDIX E
DOCUMENTS BEING PLACED IN THE PDR
(Continued)

NUMBER	DATE	DESCRIPTION
13.	5/25/83	Routing and Transmittal Slip from Roger Fortuna to E. Pawlik. (1 page)
14.	6/2/83	Memo from E. B. Hayes to Comm. Gilinsky. (1 page)
15.	6/13/83	Report of Inquiry Q3-83-003: Consumers Power Company (Midland) - Allegation of Quality Assurance Programs and Heating, Ventilation and Air-Conditioning Contractor's Questionable Activity. (2 pages)
16.	6/23/83	Report of Inquiry Q3-83-004: Consumers Power Company (Midland)- Allegations of Quality Assurance Programs and Heating, Ventilation and Air-Conditioning Contractor's Questionable Activity. (2 pages)
17.	6/23/83	Report of Inquiry Q3-83-005: Consumers Power Company (Midland)- Allegations of Quality Assurance Programs and Heating, Ventilation and Air-Conditioning Contractor's Questionable Activity. (1 page)
18.	2/1/84	Allegation Tracking sheet - RIII-83-A-0160. (1 page)
19.	2/1/84	Allegation Tracking sheet - RIII-83-A-0157. (1 page)
20.	4/3/84	Allegation Tracking sheet - RIII-83-A-0155. (1 page)
21.	4/3/84	Allegation Tracking sheet - RIII-83-A-0146. (1 page)

APPENDIX E
DOCUMENTS BEING PLACED IN THE PDR
(Continued)

NUMBER	DATE	DESCRIPTION
22.	1/30/85	Memo from E. Pawlik to J. Keppler, subject: DOJ Declination on NRC:RIII Case Referral 3-82-025 (Zack Co.) (1 page)
23.	3/10/87	Memo from A. Art Davis to Richard Starostecki, subject: Request for Investigation, Re: Employment Discrimination by the Zack Company. (3 pages)
24.	5/5/87	Memo from J. Grobe to various, subject: Office of Investigation Administrative Case Closure. (2 pages) [NOTE: Deleted portions are outside the scope of the request.]
25.	7/15/89	Memo from C. Weil to J. Grobe, subject: Discussion with the Office of Enforcement About the Administrative Closeout of Certain Office of Investigations Cases. (3 pages) [NOTE: Deleted portions are outside the scope of the request.]
26.	Undated	Handwritten notes. (1 page)
27.	Various	Investigation Status Records. (3 pages)
28.	Undated	Commonwealth Edison Company Chronology on Resolution of Zack Company 50.55(e) - Documentation Deficiencies. (65 pages)
29.	Undated	Zack Company Commonwealth Edison Quality Assurance Department Review of Government Accountability Project Submittal of 7/27/82. (12 pages)
30.	Undated	Allegation Data Form. (1 page)
31.	Undated	Allegation Data Form. (1 page)

Re: FOIA-91-187

APPENDIX E
DOCUMENTS BEING PLACED IN THE PDR
(Continued)

NUMBER	DATE	DESCRIPTION
32.	Undated	Allegation Data Form. (1 page)
33.	Undated	Investigation Data Input Form. (1 page)
34.	Undated	Allegation Data Form. (1 page)

APPENDIX F
DOCUMENTS BEING WITHHELD IN THEIR ENTIRETY

NUMBER	DATE	DESCRIPTION
1.	Undated	Handwritten notes. (1 page) Exemptions 6 and 7(C).
2.	Undated	Affidavit given to Government Accountability Project by individual. (10 pages) Exemptions 6, 7(C) and 7(D).
3.	12/4/79	Statement of individual. (1 page) Exemptions 6 and 7(C)
4.	5/27/82	Affidavit of individual. (3 pages) Exemptions 6, 7(C) and 7(D).
5.	5/27/82	Statement of individual. (10 pages) Exemptions 6, 7(C) and 7(D)
6.	7/22/82	Region III memo, subject: Allegations Involving the Zack Company. (5 pages) Exemptions 6, 7(C), and 7(D)
7.	10/1/82	Statement of individual to NRC (18 pages) Exemptions 6 and 7(C)
8.	10/26/82	Statement of individual to NRC. (3 pages) Exemptions 6, 7(C) and 7(D)
9.	10/26/82	Statement of individual to NRC. (3 pages) Exemptions 6, 7(C) and 7(D)
10.	5/25/83	Office of Investigations Report of Investigation 3-82-025: The Zack Company - Alleged Improper Alteration of Quality Assurance Records. (28 pages) Exemptions 6, 7(C) and 7(D)
11.	5/25/83	Deposition of individual before the Atomic Safety and Licensing Board (ASLB). (139 pages) Exemptions 6, 7(C) and 7(D)

APPENDIX F
DOCUMENTS BEING WITHHELD IN THEIR ENTIRETY
(Continued)

NUMBER	DATE	DESCRIPTION
12.	6/8/83	Deposition of individual before the ASLB. (68 pages) Exemptions 6, 7(C) and 7(D)
13.	7/19/83	Deposition of individual before the ASLB. (153 pages) Exemption 6, 7(C) and 7(D)
14.	8/4/83	Deposition of individual. (103 pages) Exemption 6, 7(C) and 7(D)
15.	8/11/83	Deposition of individual. (166 pages) Exemptions 6, 7(C) and 7(D)
16.	8/19/83	Deposition of individual. (94 pages) Exemptions 6, 7(C) and 7(D)
17.	9/27/83	Region III memo to the files. (1 page) Exemptions 6, 7(C) and 7(D)
18.	10/21/83	Investigative interview with individual. (122 pages) Exemptions 6, 7(C), and 7(D)



File

BALDWIN ASSOCIATES

A JOINT VENTURE OF
STEIN-COLMAN CORPORATION ACCURATE-MODULITE MECHANICAL CONTRACTORS, INC.
ALSO-SOFTWARE COMPANY POWER SYSTEMS, INC.
1211 EAST LINDER ROAD, IONA MAUD, ILLINOIS 61727

November 15, 1982

JE#108482
REPLY TO:
P. O. BOX 306
CLINTON, ILL. 61727
PHONE: 217 937-1111

TO: D. P. Hall
FROM: J. E. Findley
SUBJECT: Zack Plan of Action

We held a meeting this morning at 10:00 AM to discuss the events that occurred on Friday 11-12-82 with Zack.

The result of this meeting was as follows:

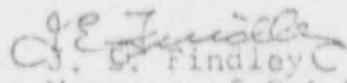
1. BA/QA, IPC/QA & Zack will inventory the material that was scheduled for destruction. We will make a list of all documents that are in the boxes and transfer the boxes and all shredded material to the custody of B.A.
2. All guards (IPC) have been removed from the Zack premise as of 11:00 a.m. this date.
3. A complete audit will be conducted of Zack by BA/QA as soon as item 1 is completed.
4. Zack (D. Calkins) requested an investigation by the NRC into the shredding incident. Herb Livermore received this request.
5. Zack was irate over the sequence of events on Friday. A written report will be forthcoming that defines all decisions and actions taken by BA and IPC.
6. In the future any Zack documents that are to be destroyed will be delivered to BA/QA for review prior to destruction.
7. Zack has agreed to provide BA with a list of all documents destroyed in the past.

E/96

Attachment Five

Release

Further discussions are scheduled with Zack to discuss other issues such as whether we will allow Gary Moseby (Zack QC Manager) back on the site.


J. G. Findley
Manager of Q & TS

JEF/ms

cc: B. Harrington
W. Kent
J. Mackinnon
H. Livermore
P. Bryant
C. DeZutel
J. DeZutel
B. Canfield
D. Korneman
J. Loomis
C. Anderson
G. Chapman
A. Budnick

J. E. Findley	-BA MGA-Q:TS
WALT KENT	HVAC NICK
John - [unclear]	E - [unclear]
ROBERT BERNARD	IP RA
DONALD R. MALZAHN	ZACK COMPANY
Christine Zuck De Zutter	Zuck Co.
[unclear]	[unclear]
[unclear]	[unclear]
R. J. [unclear]	ZACK
M. H. SKATES	ZACK
W. H. [unclear]	[unclear]

BALDWIN ASSOCIATES

(IN CLINTON)

Nov. 15, 1982

WK-171-82

INTER OFFICE MEMO

TO: Jim Findley, Manager Q&TS

FROM: *Walt Kent*
Walt Kent, HVAC Mgr.

SUBJECT: Meeting on 11/12/82

I attended a meeting at Jim Findley's office at 1:55 P.M. on November 12, 1982. Attending the meeting was; D. Korneman, C. Chapman, B. Canfield, J. Findley, and myself.

At approx. 2:00 P.M. three B/A Q.A auditors (vendor surveillance) arrived in Mr. Findley's office. The auditors reported that Zack people were shredding what appeared to be documents, including F.I.N.'s (Field Interference Notices)

I heard Mr. Findley call I.P.C. security at approx. 2:15-2:20 although I did not hear the gist of the conversation.

Mr. Findley asked his three auditors to return to the Zack trailer and keep an eye on things. This was approx. 2:20 P.M.

Mr. Findley immediately placed a call to Ms. C.Z. DeZutel at Chicago.

WK/cb



BALDWIN ASSOCIATES

(IN CLINTON)

P.O. BOX 306 CLINTON, ILLINOIS, 61727 TEL. (217) 937-1111

INTER OFFICE MEMORANDUM #986

TO: J. E. Findley, Manager of Q & TS

DATE: November 15, 1982

FROM: G. A. Chapman, Manager of Tech. Serv. EAC

SUBJECT: Events: Action Taken HVAC 11-12-82

was called in later pertaining to shredder EAC 11-15-82

Mr. Findley, Bob Canfield, Tom Yearick, D. Korneman, Walt Kent and myself
were meeting at two o'clock Friday afternoon to discuss Zack (HVAC). Three
Quality Assurance personnel came into the meeting stating personnel at Zack
were shredding documents. It was not known as to the type of documents being
destroyed. Due to recent rumors of Baldwin Associates possibly taking control
of HVAC, Jim Findley made a decision to get power pulled on the shredding
machine. Tom Yearick was in route with security to pull power on the shredder
at the same time Mr. Findley was discussing the matter with Corporate Zack.
Meantime Dana Korneman contacted Chester Krey of Electrical to pull power on
Zack trailer to keep anymore shredding from taking place until Baldwin Associates
could determine what documents were being destroyed. After Mr. Findley comple-
ted the discussion with Zack Corporate we went down to Zacks complex to in-
vestigate. Before we left Jim found out power was out at Zack and stated to
notify Chester Krey to restore power as the shredder had been shut down.
While at Zack Jim asked that Gary Mosby be taken from site. Gary was talking
to Zack Corporate at this time and gave the phone to Jim Findley. This was
around 2:20 or 2:30 p.m. on November 12, 1982. After coming back to office
we were notified that Zack Corporate personnel was coming down to talk on

Monday : t 10:00 a.m. Scates (Zack) came down Saturday morning at 8:00 a.m.
for a brief discussion as to what had taken place.

GAC/pje
cc: T.S. File

CLINTON POWER STATION

DEK-1016-IPC

TO: J. E. FINDLEY
FROM: D. E. KORNEMAN *D E Korneman*
DATE: NOVEMBER 15, 1982
SUBJECT: HVAC MEETING - NOVEMBER 12, 1982

While attending a meeting in your office on Friday, November 12, the following occurred to the best of my recollection.

Marsha Sumner, Jim Moffatt and John Kent entered the trailer and reported that documents were being shredded at the Zack trailer complex. On being questioned about what documents were being shredded, their reply was that FIN's and other engineering documents were observed in boxes ready to be shredded, but they did not have a chance to see everything that was being shredded.

At approximately 2:10 p.m. Tom Yearick, BA Ast. Project Manager, entered BAQA trailer and was instructed to go with IP Security and stop the shredding and secure all records to prevent further destruction.

Concurrently, a decision was reached to cut off electrical power to the Zack trailers to insure that no further shredding would occur. I instructed Chet Krey, BA Electrical Superintendent, to disconnect power to Zack's trailer complex until further notice.

Tom Yearick, called me at approximately 2:20 p.m. and asked that power be restored, since he and security had successfully terminated all shredding and had posted security in the Zack trailer to prevent any further destruction of information. I called Chet Krey and ordered that power be restored.

Following the meeting, J. E. Findley, R. J. Canfield, D. E. Korneman, W. Kent and G. Chapman toured the Zack trailer complex to familiarize ourselves with the areas used for storage of records and other documents. The decision was reached by all parties to secure three areas which contained documentation and to maintain IP Security on duty in the area until Monday.

Attachment Four

E/07

Release

To: J. E. Findley
From: D. E. Korneman
Date: November 15, 1982

Page 2

Subsequent to these activities, Mr. J. H. MacKinnon, IPC Project Manager, was briefed on the events by J. E. Findley, D. E. Korneman, W. Kent, and R. J. Canfield.

I wrote a memo at 4:50 p.m. to IPC Security regarding actions to be taken through the weekend of November 13 and 14 with regard to Zack's trailers. A copy is attached for your information.

attachment

DEK/dh

cc: J. E. Loomis
R. J. Canfield

Zack
wfo

4139-L
Y-14590

November 22, 1982

TO: J. Findley, V-900/E.E. Cannon, V-650
FROM: G.W. Bell *AWB*
Supervisor - Audit & Surveillance
SUBJECT: Surveillance Findings C-82-069, C-82-070

The subject findings are being forwarded to you for Corrective Action. Please complete blocks 13, 14 and 15 and return to the Supervisor - Audit and Surveillance by December 27, 1982.

The associated surveillance report Y-14200 is attached for your information.

TMZ/clm

Attachment

cc: J.H. MacKinnon, V-650
A.J. Budnick
H.H. Livermore
D.E. Bowling
R. Riedy, V-510
D.S. Selva, V-890

(Handwritten notes and signatures)
Release

ILLINOIS POWER COMPANY
QUALITY ASSURANCE SURVEILLANCE PLAN
AND REPORT

QAP- 118.05F01
Revision 0
Date 6/23/82

Surveyor's Name: E. A. Osborne/M. Kataravani

Record Type: 4131-L

Surveillance Period (dates): 10/21-22/82

Letter Serial: Y-14200

A. Subject, activity, or area to be surveyed:

References:

Evaluation of Zack Report K2910-ZCB-415
Zack Co. Cicero Facility

S&L K2910
Zack Quality Assurance
Manual
PQCF-3, Rev. 3
PQCF-7, Rev. 8
PQCF-8, Rev. 2
WFS-7, Rev. 10

J. M. [Signature]
10-21-82
Approval/Date

B. Surveillance Results:

On October 21 and 22 a surveillance team representing Illinois Power and Baldwin Associates performed a surveillance of Zack's facility in Cicero, Illinois. The scope of this surveillance was to evaluate the adequacy of Zack investigation concerning discrepancies in welding records for HVAC shop fabricated components. The results of Zack's investigation are contained in their report K2910-ZCB-415.

The surveillance team met with Zack's Quality Assurance Manager and the Lead Quality Assurance Engineer responsible for the investigation. They presented a detailed account of the steps taken to interpret and evaluate the travelers affecting safety related HVAC hangers and duct work shipped to the Clinton Power Station.

After Zack's presentation the surveillance team randomly selected several travelers listed in Zack's report for review. The travelers reviewed to verify that the information contained in the report agreed with the information on the travelers. The surveillance team verified the following attributes: the weld procedure required, the welder identification, date weld was completed, welder qualification date, the inspector identification and date the inspection was performed. The travelers that were reviewed are listed on Attachment #1 of this report. The surveillance team found no significant differences between the information contained in the report and the information verified from the travelers. The surveillance team noted that because of the difficulty in interpreting the travelers and the manner in which Zack filed the travelers (i.e. by shipping load number) only a relatively small number of travelers were reviewed in the time spent at Zack's Cicero facility.

(continued)

Distribution: W.H. Livermore
Director-QA Folck
A/S QA Analyst Selva
P.S. JAC W. Kent

Page 1 of 2

ILLINOIS POWER COMPANY
QUALITY ASSURANCE SURVEILLANCE PLAN
AND REPORT (SUPPLEMENT SHEET)

QAP- 118.05F02
Revision 0
Date 6/23/82

Surveyor's Name: J. Osborne K. Matavanani

Record Type: 4131-L

Surveillance Period (dates): 10/21-22/81

Letter Serial: Y-14200

(Identify appropriate Part from QAP-118.05F01)

B. Surveillance Results: (continued)

The surveillance team was provided a list of the names of the five Field Engineers who performed the interpretation of evaluation of the travelers. The Field Engineers were provided a copy of Zack's report notifying the NRC of a potential 10CFR21 which outlined the scope and goals of the investigation. In addition, Zack appointed the Lead Quality Assurance Engineer to supervise the investigation. The members of the investigation team are listed in Attachment 2 of this report. The surveillance team evaluated these steps as providing adequate planning and direction for the investigation.

The surveillance team made the following observations during the verification of Zack's report:

1.) Welding was performed by welders who were not qualified at the time the welding was completed which was contrary to PQCP-3, Rev. 3, paragraph 7.7 and WPS-7.

Finding C-82-070 has been written to identify that while Zack has documented these travelers that are effective on NCR-421 (Attachment 3), they have not identified the cause or action taken to prevent this from occurring in the future.

2.) Quality Control inspectors accepted welding performed by welders who were not qualified at the time welding was completed which is contrary to PQCP-3, Rev. 3, paragraph 7.12.3. Finding C-82-069 has been written because Zack has not identified the cause or action taken to prevent this from occurring in the future.

3.) Welder qualification records lacked all signatures necessary to complete record form contrary to WPS-7, Rec. 10. This condition was identified to the Quality Assurance Manager for his attention.

C. Evaluation:

Zack's report NCR10-SCB-415 does not identify the contributing factors which allowed unqualified welders to perform welding on safety related HVAC equipment or allowed QC Inspectors to accept these welds or how they propose to prevent this from occurring in the future. Finding C-82-069 and C-82-070 have been written to identify these conditions. Until resolution of these finding the report has not adequately addressed the question of cause and corrective action.

J. Osborne K. Matavanani
Submitted by/Date

W. Bell 11/12/82
Approved/Date

Attachment 1
Y-14200

Those travelers that the surveillance team randomly selected from
Hack's report K2610-207-411 are listed below:

SF0611	SF4021	SF2053	SF0549
SF1128	SF1198	SF1244	SF0499
SF1178	SF1114	SF2087	SF2391
SF0401	SF0813	SF3671	SF2380
SF2018	SF4476	SF2867	SF2376
SF0303	SF4687	SF2918	SF0411
SF4828	SF2921	SF3887	SF1137
SF4824	SF0214	SF2041	SF1143
SF6228	SF0447	SF3014	SF16004
SF0341	SF1658	SF2718	SF0876
SF0141	SF1393	SF-0927	SF0256
SF5144	SF2830	SF-2836	SF1001
SF0708	SF5154	SF-1000	SF0918
SF1218	SF1066	SF0652	

Attachment 2
Y-14000

The members of Zack's investigation team that evaluated the shop travelers were directly supervised by Raymond J. Baslaga, Lead Quality Assurance Engineer, who answered directly to Mark Skates, Quality Assurance Manager. Those Field Engineers that Zack brought in from the Midland site to perform this evaluation are listed below.

John O'Connell
Ivan Shapiro
Paul Olson
Tom Chuhey
Tom Skalski

NONCONFORMANCE REPORT

REPORT NUMBER: 421 NCR CODE: F
 DATE: October 22, 1982 PROJECT: 2900
 WELDER RECORD REPORT ITEM PART NUMBER: PLANTS I and II AREA/LOCATION: N/A TRAVELER NUMBER: N/A DRAWING NUMBER: N/A
 OWNER FURNISHED MATERIAL/EQUIPMENT: YES NO SAFETY NON-SAFETY

DESCRIPTION OF NONCONFORMANCE: Contrary to the requirements of the K2910 Specification and Zack Procedure WPS-7, the above referenced report dated 9/27/82 identifies 175 Travelers (listing attached) that indicate use of welders not certified at the time the work was performed. All welders were post-certified by the Zack Company at dates from 30 days to 6 months after the date of work. *Cluckin 10-22-82*
 O.C. INSPECTOR/DATE

RECOMMENDED REMEDIAL ACTION: USE-AS-IS REWORK REPAIR SCRAP
Based on the above referenced report, the fact that all welders involved were eventually certified and that the practice that precipitated the system breakdown is no longer being used. Submit to Baldwin Associates for an "use-as-is" disposition of the material and paperwork involved with the 175 affected Travelers.
 PROJECT MANAGER/DATE: *W. B. ... 10/22/82* APPROVED BY/ O.A. MANAGER/DATE: *... 10/22/82*

CONDITIONAL RELEASE REQUEST: COPY
 PROJECT MANAGER/DATE: N/A APPROVED BY/ O.A. MANAGER/DATE: N/A

REMEDIAL ACTION TAKEN: Submitted to Baldwin Associates for an "use-as-is" disposition.
 PROJECT MANAGER/DATE: *W. B. ... 10/22/82*

VERIFICATION OF REMEDIAL ACTION:
 ACCEPTED REJECTED
 O.C. INSPECTOR/DATE: _____ O.A. MANAGER/DATE: _____

ILLINOIS POWER COMPANY
QUALITY ASSURANCE SURVEILLANCE FINDING

QAF _____ 118 (REV) 88

REVISION _____ 0

DATE _____ 4/20/82

1. ORGANIZATION SURVEILLED:
Zack, Cicero Facility

2. SURVEYOR'S NAME:
R.A. Osborne

3. RECORD TYPE _____ 4135-1

LETTER SERIAL _____ Y-14200

4. DATE OF FINDING:
10/22/82

5. FINDING DISCLOSED WITHIN:
K. Katayanagi, R. Folck
Mark Skates

6. FINDING IDENTIFICATION NUMBER:
C-82-070

7. APPLICABLE IPI (EPI) APPENDIX B CRITERIA:
X

8. CONTRACT AND DOCUMENT REFERENCE, SECTION, PARAGRAPH, ETC.:
PQCP-3, Rev. 3 paragraph 7.12

9. REQUIREMENT:
PQCP-3, Rev. 3 requires the Quality Control inspector to verify that the welder identified on the traveler is qualified.

10. FINDING: Welds were accepted by Quality Control Inspector that were ~~were~~ by welders who were not qualified at the time the welding was performed.

11. CONCURRENCE:
AW Bell
POTENTIALLY REPEATABLE
 YES NO
DATE: 11/12/82

12. PROPOSED CORRECTIVE ACTION / ACTION TO PRECLUDE RECURRENCE

14. PROPOSED CA COMPLETION DATE:

15. CA PROPOSED BY (NAME/ORGANIZATION):

16. CA EVALUATION/VERIFICATION ACTION:

17. SURVEILLANCE FINDING AND CORRECTIVE ACTION CLOSOUT
SUBMITTED: _____ DATE _____ APPROVED: _____ SIGNATURE / DATE _____
DATE _____

Glen Ellyn, Illinois
(LOCATION)

August 6, 1982
(DATE)

BB I, Bruno S. Blachowicz, hereby make the following statement to Charles H. Weil, who has identified himself to me as an Investigator of the United States Nuclear Regulatory Commission. I make this statement freely with no threats or promises of reward having been made to me.

I am employed by RMC, Inc., as the Vice President for Sales, and I am a Registered Professional Engineer in the State of Illinois.

In April 1976 the Zack Company contracted with RMC to have RMC provide and install refrigerant piping at the Commonwealth Edison Company's LaSalle County Nuclear Station. The contract required RMC to install the piping on eleven air conditioning systems at the LaSalle County Station. Four of the eleven systems (Control Room Building, CR-1 and CR-2, and Auxiliary Equipment Electrical Room, AEE-1 and AEE-2) were specified in the contract as being nuclear safety related systems, the remaining seven air conditioning systems were not related to nuclear safety.

After reviewing the RMC files of the contract with the Zack Company at the LaSalle County Nuclear Station, I found Zack had written to RMC on February 14, 1978, and had requested certifications on the material RMC furnished and installed. RMC obtained certifications on the refrigerant piping on June 19, 1978, and provided this information to the Zack Company on June 21, 1978.

On January 22, 1982, the Zack Company wrote to me at RMC and requested a letter of conformance on the material provided at the LaSalle County Station. Zack's letter of January 22, 1982, enclosed an example of the information they needed, which was:

"This is a letter of conformance certifying (sic) that the materials furnished by us for the refrigeration piping for the following systems are in compliance with Sargent & Lundy's J-2590 Technical Specifications and Sargent & Lundy approved Vendor/Supplier accessory data sheets. The systems are: Service Building 1,2 and 3 (OVS); Off Gas Building (OVA); Auxilliary (sic) Building Laboratory (OVL); Control Room 1 and 2 (OVC) and Auxilliary (sic) Electrical Equipment 1 and 2 (OVE)."

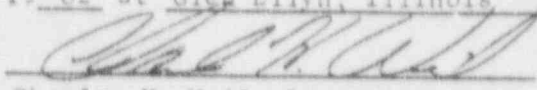
BB
Since I knew the material certifications were in the RMC files, along with copies of the Sargent & Lundy Specifications, I complied with the Zack Company request and furnished them the letter of conformance as they had requested. BB
RMC's letter of conformance to the Zack Company was dated January 22, 1982. BB

Statement of Bruno S. Blachowicz, August 6, 1982.

BB.

I have read the foregoing statement consisting of two ^{*BB*} pages, I have made any necessary corrections, and I have initialed those corrections. This statement is the truth to the best of my knowledge and belief. I declare under the penalty of perjury that the foregoing is true and correct. Executed on August 6, 1982 at 1:40 PM.
(Date) (Time)

Subscribed and sworn to before me
this sixth day of August,
19 82 at Glen Ellyn, Illinois


Charles H. Weil, Investigator
NRC Office of Investigations


(Signature)

Bruno S. Blachowicz, RMC, Inc.,
321 East Grand Avenue, Chicago, IL 60611
(Address)

MIDLAND, MI
DAILY NEWS
E-17,025

AUG-13-82

Nuclear plant licensing issues focus of nine-hour conference

By PAUL RAU
Daily News staff writer

Parties in the operating license hearing for the Midland nuclear plant spent nine hours Thursday sparring orally over which contentions sponsored by citizen intervenors ought to be litigated in the upcoming licensing proceeding.

The presiding Atomic Safety and Licensing Board reached no decisions after hearing the arguments; the ASLB said it intends to rule on the admissibility of all 28 contentions after the prehearing conference ends today or Saturday.

The conference is significant because it will determine the scope — and to a great extent, the length — of the operating license (OL) hearing for the Midland plant.

Plant owner Consumers Power Co. is hoping for a short OL hearing because Unit 2 is scheduled to begin commercial operation in December 1983, and Unit 1 is to be ready in July 1984. Unit 1 is to begin supplying nuclear-generated steam to the Dow Chemical Co. by the end of 1984.

The license hearing, to begin late this fall, may last four to six months or longer, depending on how many contentions on which the ASLB decides to hear testimony.

Federal law allows citizens, if they meet certain requirements, to participate in nuclear licensing proceedings. Their contentions are, in general, environmental or safety issues the intervenors believe will not receive proper attention in the OL hearing if they do not object their presence

Intervenor Mary Sinclair of Midland has proposed 19 contentions; Barbara Stamiris of Freeport has proposed eight and Wendell Marshall of Mapleton has one.

The parties tackled Mrs. Sinclair's contentions first, and discussed nine before adjourning Thursday.

Attorneys for Consumers opposed seven of the nine on a variety of grounds such as lack of specificity, late filing and improper basis for the contentions.

Attorneys for the NRC opposed some of Mrs. Sinclair's contentions; on three of them, they said the agency needs more information to take a position because the contentions were recently expanded and reworded. The NRC did not object to one of her contentions.

Neither the NRC nor Consumers objected to two of Mrs. Sinclair's contentions; both deal with the Zack Co., which is being investigated by the NRC because of allegations of falsified paperwork relating to safety-grade ventilation systems.

Once, the NRC urged the ASLB to again allow Mrs. Sinclair to reword one of her contentions more specifically. That was strongly opposed by an attorney for Consumers, Philip Steptoe, who complained the move was contrary to procedural rules and that the utility would be "facing a moving target" if Mrs. Sinclair is allowed to rewrite and add to her contention.

"They should have it here today. Intervenor ... has to follow the rules, and we are all prepared if they do not," Steptoe told the ASLB.

But the ASLB allowed her to rewrite her contention dealing with an allegation

by Albert T. Howard, a former employee of ductwork supplier Zack Co., that substandard materials were used to make ventilating systems for the Midland plant.

ASLB chairman Charles Bechhoefer said the board had been leaning toward rejecting this contention because it was unclear which portion of Howard's lengthy affidavit, which was given to the NRC, Mrs. Sinclair wants to litigate.

Mrs. Sinclair had three of her contentions accepted in 1978 as issues for the OL hearing. She has written as many as 65, but pared the list down in preparation for Thursday's conference.

She said she hopes all of her final 19 contentions are accepted, even though each approved contention means more work for her in preparing for the license hearing. She expects to participate without an attorney, although Washington, D.C., attorney Lee Bishop was retained to represent her at this week's prehearing conference.

"I think they all should be accepted. If it will help in any measure on safety (of the nuclear plant), we just have to hang in there and do it," Mrs. Sinclair said after the session.

She predicted the ASLB will accept some of her "most interesting" contentions, such as those dealing with the allegations about the Zack Co.

In other action Thursday, Bechhoefer rejected Mrs. Sinclair's request that the government pay to have her engineering consultant, Dr. Charles Anderson, travel to Midland Saturday for a tour of the nuclear plant. He said such payment is forbidden by a federal statute which bars funding for intervenors.

ELB

Release

New n-plant contentions allowed

By PAUL RAU
Daily News staff writer

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Ten new contentions will be litigated during the operating license hearing for the Midland nuclear plant, an Atomic Safety and Licensing Board panel has ruled.

The ASLB has now admitted 13 contentions to the operating license hearing, and has yet to rule on many others.

Based on the projected number of contentions likely to be litigated and their complexity, ASLB chairman Charles Bechhoefer said the operating license hearing should last about six months.

Some issues — mostly related to soil problems at the nuclear plant — already have been litigated in 1984 and this year, although the ASLB has not yet issued a ruling.

The ASLB has scheduled dates in October to hear issues related to the corrective work to fix the soil problems, and expects to begin hearing quality assurance (QA) issues in late November or December. The rest of the operating license hearing will take place in 1985.

Consumers' Power Co. spokesman Norman Saari said the utility has no comment on the legal aspects of the ASLB ruling, which was made Saturday after a two-day prehearing conference. But he said Consumers is "extremely pleased" that the ASLB worked diligently to issue the order.

DEFINING WHICH contentions sponsored by citizen intervenors can be litigated is necessary to begin the operating license hearing, which will be one of the last milestones in the licensing process for the Midland plant. Its two units are scheduled to begin commercial operation in December 1983 and July 1984.

Saari said the order "helps establish the framework for the operating license hearing we need to support the schedule to load fuel."

Federal law allows citizens to

intervene in nuclear plant licensing proceedings. They do so by filing contentions, which generally are safety or environmental issues they believe would not be adequately considered if they do not inject their presence.

Intervenors in the Midland plant licensing process are Mary Sinclair of Midland, Barbara Stamiris of Freeland and Wendell Marshall of Mapleton. The ASLB admitted some of their contentions and rejected others.

At the preconference hearing last Thursday and Friday, most of the proposed contentions were opposed by Consumers and the U.S. Nuclear Regulatory Commission.

OF NINE NEW contentions proposed by Mrs. Sinclair, the ASLB accepted six and rejected three. The adopted contentions are:

- That a NRC analysis of the possibility of severe accidents at the Midland plant is deficient because it ignores new information and understates the risk of such accidents by a factor of 20.

- That logging and icing from the Midland plant's 300-acre cooling pond will be more severe than predicted because estimates in the NRC's Draft Environmental Statement (DES) are based on nuclear plant cooling pond performance in a substantially different climatic region.

- That the safe operation of the plant cannot be assured because substandard materials were used by the Zack Co. to build ventilation systems. This contention is based on an affidavit sworn to by Albert T. Howard, a former Zack employee, in connection with an investigation by the Government Accountability Project (GAP).

- That the protection of public health and safety cannot be guaranteed because Zack has admitted to the NRC that its documentation system for material traceability does not meet federal regulations. The focus of this contention is a non-conformance report Zack filed recently with the NRC.

- That because welders whose qualifications cannot be verified worked on Zack ductwork for the Midland plant, protection of public health and safety cannot be guaranteed. This also is based on the above mentioned Zack report.

- That the useful life of the nuclear plant will be considerably shortened due to degradation of cable insulation by the synergistic effect of temperature and low doses of radiation on polymer cable insulation.

MRS. SINCLAIR'S rejected contentions dealt with the NRC's fuel cycle rule, operator error in the Three Mile Island accident and the implications for the Midland plant, and the contribution of nuclear plant maintenance to accidents.

Of seven contentions proposed by Mrs. Stamiris, the ASLB accepted portions of three and rejected the rest. In all, five of her issues were approved for litigation.

They are:

- That the NRC's environmental statement for the Midland plant underestimates the decommissioning cost for the two units, as shown by the fact that Consumers' past estimates for decommissioning its Palisades and Big Rock Point nuclear plants are sharply higher. The estimated cost to mothball the Midland units is \$235 million in 1984 dollars.

- That the useful life of Midland Unit 1 will be reduced due to a faulty weld on the reactor vessel. This is the unit which is to supply nuclear-generated steam to the Dow Chemical Co. A Consumers memo distributed at the prehearing conference said the Unit 1 reactor vessel "could have a low level of fracture toughness at the operating temperature after 10 years of operation" due to the faulty weld.

- The projected life of each unit is 40 years. A Consumers official said improperly high copper content of the weld rod used on the reactor vessel caused the situation. Consumers says future repair might be possible, but the

MIDLAND, MI
DAILY NEWS
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April 29, 1991

FREEDOM OF INFORMATION REQUEST

Director, Division of Freedom of Information
& Publication Services
Office of Administration
U.S.N.R.C.
Washington, DC 20555

CERTIFIED/RETURN RECEIPT
FREEDOM OF INFORMATION
ACT REQUEST

FOIA-91-187
REC'D 5-7-91

Dear Sir:

This is a request under the provisions of the Freedom of Information Act for background information pertinent to investigations of the Zack Company done by the U.S.N.R.C.

The investigations in question started in 1982 and were performed by individuals representing Region 3, Region 4 and the Office of Investigations. These investigations are all now closed issues.

We are requesting all documentary, audio and/or video recordings that were created as a result of these investigations and form the back-up documentation of these investigations.

Please forward all such information to my attention at:
The Zack Company
4600 W. 12th Pl.
Cicero, IL 60650

Questions can be addressed to me at 312-242-3434.

Sincerely,

Raymond J. Babiaga
Quality Assurance Manager

cc: C. Zack
File

9203 100300 1p.

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by the staff on this date.

Facility: Commonwealth Edison Company
 La Salle Station - Unit 1 & Unit 2
 Docket No. 50-373 & Docket No. 50-374
 Marseilles, IL
 Consumers Power Company
 Midland Site - Units 1 & 2
 Docket Nos. 50-329 and 50-330
 Midland, MI
 Illinois Power Company
 Clinton Station - Unit 1
 Docket No. 50-461
 Clinton, IL

Licensee Emergency Classification:
 Notification of Unusual Event
 Alert
 Site Area Emergency
 General Emergency
 Not Applicable

Subject: DOCUMENTATION PROBLEMS - 10CFR PART 21 REPORT FROM ZACK COMPANY

Region III (Chicago) received a 10CFR Part 21 report via telephone call from the Zack Company at 4:15 p.m. on July 29, 1982. This report deals with discrepancies in documentation for fabrication welds made on HVAC hangers, ducts, etc., at La Salle specifically, and possibly at Clinton and Midland. It appears that the welder of record may not be the welder who actually performed the welding.

Region III, with the assistance of the Region IV (Dallas) Vendor Inspection Branch, has an ongoing special inspection of Zack Company and the work performed by the company at La Salle (Ref. FPO-III-82-68). This inspection will be expanded to include Midland and Clinton.

News media is expected, because of continuing interest in allegations and problems associated to Zack Company at the three sites.

The State of Illinois and the State of Michigan will be notified.

This information is current as of 5:00 p.m. (CDT) on July 29, 1982.

CONTACT: *Red*
 R. D. Walker-RIII
 FTS 384-2565

RET
 R. C. Knop-RIII
 FTS 384-2547

A
 R. L. Gressard-RIII
 FTS 384-2552

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

September 1, 1982

MEMORANDUM FOR: A. B. Davis, Deputy Regional Administrator
FROM: W. D. Shafer, Chief, Midland Section
SUBJECT: ZACK ALLEGATIONS MADE BY GOVERNMENT ACCOUNTABILITY PROJECT

I have reviewed the affidavits presented to this office by the Government Accountability Project (GAP) regarding the Zack Company. One affidavit consisted of twenty-seven pages with forty-four exhibits, (hereafter identified as Alleger H), and provided the majority of information.

While reviewing this information, I identified numerous documents that appear to relate directly to the Midland Project (Attachment A). These allegations will be placed on the Midland Project Tracking System.

The exhibits presented by Alleger H indicate that many of the problems have taken place in the past, took place during the RIII investigation in 1980, and may be continuing to date. Even more important, however, is that Bechtel and therefore Consumers Power Company were aware of these problems and did not officially inform this office (Items 3-7 on Attachment A).

Based on this review, I am recommending the following:

1. Initiate a meeting with CPCo and Bechtel to discuss their involvement in Zack activities at Midland.
2. Expedite an investigation/inspection regarding the twenty items in Attachment A.
3. Initiate an immediate investigation to determine if Alleger H or any other allegor's rights were violated.

While I appreciate the ramifications and problems involved in implementing

9203100308-4PP

Refer to RIII

29

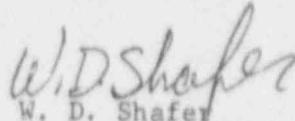
E/S

A. B. Davis

-2-

September 1, 1982

the above identified recommendations, I do not believe we can do less. I will be happy to discuss these recommendations with you at anytime.



W. D. Shafer
Chief, Midland Section

Attachment: As stated

cc w/attachment:
James G. Keppler
Robert F. Warnick
Ronald J. Cook
Ronald N. Gardner
Ross B. Landsman
James E. Foster

Attachment A

(Alleger H)

1. Consumers Power (Bechtel) was notified of Zack inconsistencies by letter dated August 28, 1981 (7220-M-151), Calkins to Davis. Ref: Corrective Action Request (CAR) 014. (Exhibit 2).
2. Midland QA contract employee directed personnel to sign training form. Personnel claimed they received no training. (Check applicability of this to Zack site personnel). (Exhibit 5).
3. Categorization of major discrepancies in interim report 10/02/81 to Bechtel (7220-M-151-C/B-548) on 10/09/81 (Exhibit 6.a) and (Exhibit 7).
4. Third interim report on discrepancies (10/23/81) sent to Bechtel 10/23/81 (7220-M-151-C/B-552). (Exhibit 8) Pgs. 3, 6, 9, 12, 15.
5. Questionable Bechtel engineering analysis of Zack discrepancies, letter Davis to Greune, 12/21/81. (Exhibit 11).
6. Individual stated that Calkins had called H. Leonard at Midland (Pg 14 of Affidavit).
7. Bechtel had knowledge of Zack material being shipped to the site in non-conforming condition. Letter Davis to Eichstaedt, 11/05/80 (Exhibit 15).
8. Examples of falsified test reports, one copy prior to falsification, one copy after (Exhibit 16). Stickers were dated 11/06/80 but request for U. S. Steel to upgrade test reports not made before 01/23/81 (Exhibit 17).
9. U. S. Steel letter Peters to Hagen, 09/21/81, identifying 26 PO's that were not originally ordered "safety related". (Exhibit 20).
10. Zack Audit of Edgecomb Metals identifies unacceptable QA program (Exhibit 21). Determine if Edgecomb products were used at Midland. See also Exhibits 43, NRC ID02.
11. Zack removes Delta Screw (DS) Company from approved vendor list on 10/20/81 (Exhibit 24); however, 38 PO's sent to DS during the time they were supposedly removed from list. (Exhibit 25). Determine if DS material was used at Midland.
12. Qualifications of Zack QA/QC personnel questionable (Exhibit 26). Determine if Zack personnel at Midland are qualified.
13. Certification of test results (Exhibit 27a) ensures material ordered on PO C-1253 was subject to testing PO C-1253 is on U.S.S. list as non SR (Exhibit 20).
14. Zack president does QA review (Exhibit 27a & b) 02/23/81 not trained until 08/31/81 (Exhibit 28).

15. Midland meeting notes of 11/03/81 (Exhibit 29) determine if all commitments were met.
16. Delta Screw Material identified as non-conforming C4286-NCR Q-112, C4484-NCR-M-110 no marks on boltheads to identify manufacturer. Bechtel cleared for use without basis (Exhibit 20a, b, c), (Exhibit 31) and (Exhibit 32).
17. Review CPCo investigation (April 15, 1980) of alleged's aggregations for credibility.
18. Determine if Weldstar was involved in supplying weld material to Midland, (Exhibit 41). If so, determine if certs exist for material purchased in 1978 or prior to that date.
19. Zack Audit IZC/81-7 (09/10/18) identifies significant QA breakdown (Exhibit 42) determine applicability to Midland.
20. Review NCR QIII written on C4406 for possible falsification and applicability to Midland (Exhibit 43, NRC Id 01.)