



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

3-82-025
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confidential source~~

REPORT OF INQUIRY

November 26, 1982

SUBJECT: ALLEGED IMPROPER/UNAUTHORIZED DESTRUCTION OF ZACK COMPANY RECORDS
AT THE CLINTON NUCLEAR POWER STATION (OI NO. 3-82-025)

Background Information

On November 15, 1982, the Office of Investigations, Region III, received the following information from Herbert H. Livermore, Region III Senior Resident Inspector at the Clinton Nuclear Power Station:

Baldwin Associates' Quality Assurance Auditors had found Zack Company (the HVAC contractor) employees shredding Zack Company records at the Clinton site on November 12, 1982. Baldwin Associates believed the records pertained to construction quality and should be retained, not destroyed. They confiscated the documents pending destruction and the bags of already shredded papers. Baldwin Associates also had the Zack Company's Clinton Quality Control Manager, Gary A. Moseby, removed from the site, as they believed Moseby had ordered the destruction of the documents (Attachment 1).

On November 15, 1982, Baldwin Associates met with the management of the Zack Company (Christine Zack DeZutel, Zack Company President; David Calkins, Zack's Clinton Project Manager; and Mark Skates, Zack's Quality Assurance Manager). The Zack Company contended the records being destroyed were superseded and/or duplicates of Engineering Change Notices (ECN), Field Change Requests (FCR), Field Interference Notices (FIN), and Nonconformance Reports (NCR). The Zack Company submitted that their procedure CB-FQCP-7, Procedure for Site Document Control (Attachment 2), permitted the destruction of those documents, and the Zack Company was logging the records destroyed (Attachment 3). Baldwin Associates notified the Zack Company that they would be conducting an investigation into this matter. The Zack Company, through Livermore, requested an NRC investigation of this incident (they stated such an investigation would clear them of impropriety).

Interview of Illinois Power Vice President

On November 16, 1982, D. P. Hall, Illinois Power Company's Vice President for Quality Assurance, was interviewed. Hall was informed the purpose of this inquiry was to learn the details of the matter and the planned course of action in order to protect the interests of the NRC. Further, this inquiry was not being conducted in response to the Zack Company's request for an investigation. Hall advised Illinois Power was following the investiga-

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tion being conducted by Jim Findley, Baldwin Associates Quality Assurance Manager. Hall further advised Illinois Power was allowing Baldwin Associates the lead in the investigation as the Zack Company was a subcontractor to Baldwin Associates and not under direct contract to Illinois Power.

Interview of Baldwin Associates QA Manager

On November 16, 1982, J. E. Findley, Baldwin Associates' Manager of Quality and Technical Services, provided the following information:

On November 12, 1982, Findley held a meeting with various members of the Baldwin Associates' staff to discuss their planned assumption of the site quality control function from the Zack Company. This meeting was interrupted by three Baldwin Associates Auditors (Marsha Sumner, Jim Moffatt and John Kent) who had been at the Zack Company's trailers to conduct a vendor audit. The auditors reported they had observed several boxes of documents about to be shredded by Zack Company employees. The boxes appeared to contain FINs.

Members of the Baldwin Associates quality assurance staff and site security went to the Zack Company trailers and found the Zack Company was in the process of shredding HVAC records. Baldwin Associates impounded the records, removed Mosby from the site, and denied entry to the trailers by Zack Company employees. Also, the Baldwin Associates' staff learned the Zack Company's shredder was not listed with Baldwin Associates as a piece of equipment authorized for use at the Clinton site. (Attachment 4 pertains to the actions of the Baldwin Associates' staff on November 12, 1982.)

The Baldwin Associates' quality assurance staff conducted an immediate inspection of the records about to be destroyed and they appeared to be of the type required to be retained. Baldwin Associates guarded the records over the weekend and on November 15, 1982, began a complete inventory of the seven cartons of records.

Findley advised Baldwin Associates is inventorying all of the documents that had been identified by the Zack Company for destruction. Upon completion of that inventory, Baldwin Associates would compare the inventoried documents and the Zack Company's list of already destroyed records with the permanent records on file. The purpose of the comparison is to determine if all of the information from the destroyed/to be destroyed documents was on file in permanently retained records. (Attachment 5 is Baldwin Associates' Zack Plan of Action.)

Findley stated he would keep the NRC informed of the progress of the Baldwin Associates' investigation of this matter.

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Observations by NRC Personnel

On November 16, 1982, the NRC Senior Resident Inspector and OI:RIII Investigator Weil inspected two cartons of records identified by Sumner and Kent as records slated for destruction by the Zack Company. The two cartons appeared to contain xerox copies of ECRs, ECNs, and FINs. A few original documents in the form of transmittal slips were found. Neither Sumner nor Kent could answer if the boxes contained inspection records. Both replied the Zack Company Document Control clerks claimed to have listed the inspection records destroyed; therefore, both assumed the cartons could contain inspection records.

While inspecting a record folder designated Diesel Generator Building-702', a Zack Company "Shop Traveler" (Attachment 6) was found. This traveler (SF-5541, Drawing No. M14-1063-1) contained original writing under the "Quality Assurance" heading on the line beginning "Welder I.D." "O.C. was written after the Welder I.D. heading. "J.M. 2-21-82, Companion \downarrow OK" was entered after "Inspector/Date." These writings were in ink, the drawing and accompanying design information on Shop Traveler SF-5541 were prepared from carbon paper.

Shop Traveler SF-5541 was compared to "Field" Traveler SF-5541 (Attachment 7) on file at the Zack Company's site quality control office. The Field Traveler drawing and accompanying design information were prepared from carbon paper similar in appearance to that information on the Shop Traveler. Under the Quality Assurance heading, the information on the line beginning "Welder I.D." was written in ink. The "Welder I.D." and the "Inspector/Date" had the same information as on the Shop Traveler (Welder I.D. was "O.C." and the Inspector/Date was "J.M. 2-21-81." However, the remaining information written in ink on that line was different. The Field Traveler had "16 welds acc dim ok"; however the Shop Traveler had "companion \downarrow OK" on that same line.

Findley was given the Shop Traveler SF-5541 and requested to resolve the apparent discrepancy between the Shop and Field Travelers. Also, Findley was informed the Baldwin Associates' comparison of the documents to be destroyed to the permanent file records would have to be quite detailed in order to insure all information had been transferred to the permanent files. Findley acknowledge the necessary for a detailed comparison of the documents.

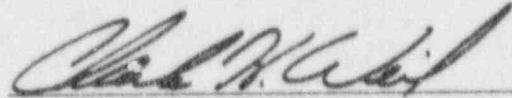
Actions Planned by OI:RIII

The Baldwin Associates Plan of Action was reviewed in detail with Findley. Baldwin Associates' plan covered the necessary aspects of document inventory and comparison to permanent records to assure all pertinent information had been transferred to the official files. Baldwin Associates and Illinois Power were advised to proceed with the investigation as outlined and to keep the NRC apprised of their findings. Baldwin Associates' investigation will be monitored by the NRC Senior Resident Inspector and the Office of Investigations, Region III.

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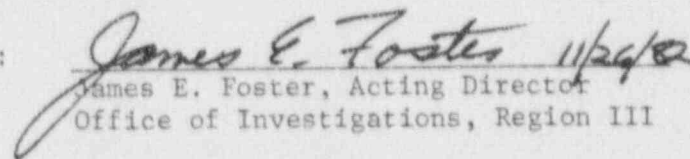
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Charles H. Weil, Investigator

APPROVED BY:



James E. Foster, Acting Director
Office of Investigations, Region III

Attachments:

1. Zack Company ltr, dtd 11/3/82
Moseby to Washburn/J. DeZutel
2. Zack Company Procedure CB-FQCP-7,
Rev. 8, Site Document Control
3. Zack Company listing of destroyed
documents
4. Baldwin Associates Memo of Events
dtd 11/12/82
5. Ltr dtd 11/15/82, Findley to Hall,
Zack Plan of Action
6. Zack Company Shop Traveler SF-5541
7. Zack Company Field Traveler SF-5541

cc w/attachments:

W. J. Ward, OI:HQ
James G. Keppler, RIII
R. C. Knop, RIII
D. W. Hayes, RIII
H. H. Livermore, RIII
R. D. Lanksbury, RIII
R. M. Burton, OI:RIII
R. J. Strasma, RIII

the **ZACK** co.



CUSTOM METAL FABRICATION

GAM-1H005-82

November 3, 1982

To: Marcia Washburn, D.C. Supervisor/J. DeZutel, Executive Vice Pres. *J.D.*

From: G. Moseby, Q.C. Mgr.

Marcia:

Please pull in all ECN, FECN and FCR books from the field! This includes all historical files.

My copies will go on the shelf behind my desk, and will be marked "reference only".

Since the hanger drawings will come in from Sargent and Lundy with outstanding documents incorporated, and our Traveler Control Group will double check these drawings, any additional information required will come from Sargent and Lundy on a FECN, and become a part of the Job Plan Traveler.

In addition, all our new procedures (PQCP's and FCP's), will not allow any outstanding files of this type, and would result in subsequent stop work's and shut downs.

G. A. Moseby
G. A. Moseby,
Q. C. Mgr.

Concurrence: *C. T. Larkin*
C. T. Larkin

GAM:ai

cc: J. DeZutel
M. Skates
R. Usinger
D. Jenniges

D. Peters
D. Boyd
J. Neuhoff
C. Bracken

J. Peoples
D. Calkins

ZACK/CLINTO

Q. C.

ATTACHMENT ONE

• FOUNDED TO SOLVE THE UNIQUE METAL FABRICATION NEEDS OF INDUSTRY

NOV 03 1982