



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

July 5, 1984

Richard R. Boisseau, Esquire
Kilpatrick & Cody
100 Peachtree Street, Suite 3100
Atlanta, GA 30034

IN RESPONSE REFER
TO FOIA-84-519 AND FOIA-84-520

Dear Mr. Boisseau:

This is in response to your letters of May 29, 1984, which were referred to the NRC from the Department of Labor on June 21, 1984, in which you requested, pursuant to the Freedom of Information Act, copies of documents relating to complaints filed on or about February 9, 1984, against Pullman Power Products by Harold O. Hudson and James L. McDermott II.

Enclosed are the following NRC documents that were contained in the Department of Labor files:

- 1/12/84 Memorandum for Victor Gilinsky from Harold Hudson (pages one and 12 only)
re: Report #3 Quality Assurance Discrepancies (2 pages)
- 2/24/84 Handwritten notes, Telephone Conversation between Ed Strickland and Dennis Kirsch
re: Hudson mailing in three reports, no knowledge of James McDermott

This completes NRC action on your request.

Sincerely,

J. M. Felton, Director
Division of Rules and Records
Office of Administration

Enclosures: As stated

cc: Sam Goldstein
U.S. Department of Labor
Room S-3508
200 Constitution Avenue, NW.
Washington, DC 20210

DOC #1

To: Hon. Victor Gilinsky, Commissioner
 United States Nuclear Regulatory Commission
 1717 H Street
 Washington, D.C. 20555

From: Harold Hudson - Former Pullman Power Products Quality Assurance Inspector, Quality Control Inspector, Quality Assurance Program Internal Auditor and Lead Auditor.

Date: 1-12-84

Subject: Report #3 - Quality Assurance Discrepancies Associated With Pullman Power Products Internal Audit #101 At The Diablo Canyon Nuclear Plant.

Pullman Power Products' Internal Audit #101, performed on 1-18-82, identified significant conditions adverse to quality which were not promptly corrected and resulted in corrective action which was not adequate.

1. Pullman Power Products' Internal Audit #101, Audit Action Request #1 findings have not had adequate corrective action implemented.
 - A. Five NDE Procedures were identified on I.A. #101 as not having evidence that the special processes were controlled and accomplished using qualified procedures or that qualification records were maintained to document and assure quality of material and work. There are no Procedure Qualification Records documenting Procedure Qualification Tests for these five NDE procedures. The five NDE procedures are:
 1. ESD 234 - UT Inspection Groove Welds AWS-D1.069, ASME Section VIII and Section V. Used to examine full penetration groove welds on Pipe Rupture Restraints prior to July 1979.
 2. ESD 241 - UT Examination of Safety Yoke Rods on 3707 RAX 6-21 Safety Valves.
 3. ESD 246 - Magnetic Particle Procedure/Dry/Continuous Coil - B31.7. Use unknown.
 4. ESD 247 - Magnetic Particle Procedure/Dry/Continuous Coil - B31.1. Used to examine crack repair welds on Feedwater Nozzles to Unit # 1 Steam Generators.
 5. ESD 270 - Liquid Penetrant Examination Procedure. Use unknown.

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Handwritten notes:
 Find letter from Hudson
 to A2C
 (part of last page - 11/11/84)

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Karner then accused me of going to unscheduled audits to get around his approval of the audit checklist. He accused me of being adverse to quality. At this point I screamed at him that he had been sitting on AAR#1 of I.A. #101 for a year and that he was violating 10CFR50 App. B XVI and two PG&E Contract requirements by not promptly correcting problems adverse to quality. QA/QC Manager Karner at this point stated that it was OK for him to violate the Code and Contracts. He repeated this statement twice. Mr. Karner also stated that one of the reasons why I didn't have all the required 1982 audits done was because I investigated items not on a checklist or irrelevant. I responded to this by saying one reason was that he had been sitting on an audit (AAR#1, I.A. #101) for a year.

I should point out that this time we were toe to toe, face to face, screaming at each other.

Mr. Karner again repeated that I was only to do what he told me to do which I interpreted to mean that I could not identify Quality Assurance discrepancies unless specifically ordered to do so.

This confrontation was witnessed by numerous persons in the QA/QC Office.

This confrontation produced two significant conditions adverse to quality.

1. As a QA/QC Inspector I was ordered by the QA/QC Manager not to identify QA discrepancies unless specifically ordered to do so by the QA/QC Manager. If I did I would be gotten rid of. This was an attempt to intimidate me from identifying discrepant conditions. This violates 10CFR50 App. B I requirement that persons performing quality assurance functions shall have sufficient authority and organization freedom to identify quality problems.
2. The QA/QC Manager stated he did not have to comply with 10CFR50 App. B and C.S. requirements to promptly correct conditions adverse to quality. This is a base violation of Quality Assurance requirements. QA/QC Manager H. Karner has demonstrated this disregard for this QA requirement in his lack of corrective action for I.A. #101, AAR#1 audit findings, in a timely manner.

Internal Audit #101 identified significant Quality Assurance discrepancies in the qualification of NDE and UT thickness measuring procedures. Subsequently, significant QA discrepancies took place in the implementing of corrective action to the audit findings. The issues identified in this report and I.A. #101 should be investigated by the NRC to assure that quality assurance has not been compromised at the Diablo Canyon Nuclear Plant.

H. W. C. Hudson

Telecon w/
2-24-84

Dennis Kirsch
Branch Chief
Region V
Nuclear Regulatory Commission
(415) 943-3723

Harold Hudson mailed three reports to a NRC Commissioner regarding conditions at Diablo Canyon. Reports 1 and 2 did become part of public record as they were posted as Board Notifications. PG&E did obtain copies of reports 1 and 2 but not report 3. NRC staff in California did not furnish copies to PG&E, Bechtel or Pullman. PG&E would have obtained them at Washington D.C. Kirsch does not know that PG&E gave copies of reports 1 & 2 to Pullman. He presumes PG&E would have given copies to Bechtel and Pullman as they are the principal contractors involved. NRC staff held three meetings with Hudson in San Luis Obispo, one for each report. Two to four NRC staff including Kirsch were present. The meetings were tape recorded. NRC is now looking into Hudson's allegations. Does not remember James Mc Dermott's name being in the three reports or being mentioned in the three meetings with Hudson. Does not have any prior knowledge of Mc Dermott.

Ed Stuchlap
C.O.