

CASE No. 1-95-023



**United States
Nuclear Regulatory Commission**

Report of Investigation

SUSQUEHANNA STEAM ELECTRIC STATION:

POTENTIAL HARASSMENT AND INTIMIDATION

Office of Investigations

Reported by OI: **RI**

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Title: SUSQUEHANNA STEAM ELECTRIC STATION:
POTENTIAL HARASSMENT AND INTIMIDATION

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Pennsylvania Power & Light Company
2 North Ninth Street
Allentown, Pennsylvania 18101

Docket Nos.: 50-387/388

Case Number: 1-95-023


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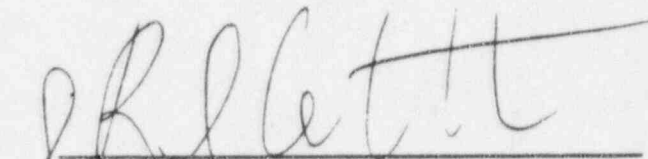
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SYNOPSIS

A former contract Turbine Inspector, Conam Inspections, Incorporated (Conam), alleged that he was terminated from employment at the Susquehanna Steam Electric Station (SSES) in retaliation for having identified and reported safety concerns. He also alleged that Conam/SSES's knowledge that he had previously reported concerns to the U.S. Nuclear Regulatory Commission (NRC) while working at another nuclear plant was a factor in his selection for termination.

OI interviews of former Conam personnel, Conam management, and officials at SSES, disclosed that the decision to lay-off three turbine inspectors on April 4, 1995, was based on SSES operational requirements, and that the selection of the alleged for lay-off was made without any knowledge of his concerns or his past contacts with the NRC. The allegation was not substantiated.

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TABLE OF CONTENTS

	<u>Page</u>
SYNOPSIS	1
DETAILS OF INVESTIGATION	4
Purpose of Investigation	4
Background	4
Interview of Allegor	4
Allegation (Alleged Discriminatory Termination of a Conam Contract Inspector at SSES)	4
Summary	5
Review of Documentation	5
Evidence	6
Investigator's Analysis	6
Conclusion	6
Supplemental Information	6
LIST OF EXHIBITS	7

DETAILS OF INVESTIGATION

Purpose of Investigation

The purpose of this investigation was to determine whether James H. DAILY, former contract Turbine Inspector, Conam Inspections, Incorporated (Conam), employed at Susquehanna Steam Electric Station (SSES), Shickshinny, Pennsylvania, was terminated by officials of Conam and/or SSES in retaliation for having reported safety concerns.

Background

On April 4, 1995, DAILY telephonically alleged to the Nuclear Regulatory Commission (NRC), Region I, that he was terminated on April 4, 1995, after having identified and reported safety concerns at SSES on April 2 and 3, 1995 (Exhibit 1). The NRC, Office of Investigations (OI), Region I (RI), initiated an investigation concerning this matter on April 20, 1995 (Exhibit 2).

Interview of Allegor

When interviewed by the NRC:OI, on May 1, 1995, concerning his termination by Conam, DAILY stated that he was hired by Conam for an anticipated 7 to 8 weeks, and that he reported to SSES on March 27, 1995. He stated that he began performing inspection work on the Conam night shift on April 1-2, 1995. He stated that during that shift, he reported to his coworkers that magnetic particle inspections on turbine blades were being improperly performed. DAILY said these inspections were properly performed by the April 2, 1995, day shift as a result of his concern. DAILY said that on the night shift of April 2-3, 1995, he reported to Lonnie HULL, the Conam night shift lead inspector, that "head shots" on a turbine were not being performed in accordance with the proper procedure. He said that HULL told him that if he was uncomfortable with the shots, he could "just sit down." DAILY stated that on April 3, 1995, he wrote a letter documenting his concerns, and gave it to Bob BAKER, a Pennsylvania Power and Light Company (PP&L) Level III Nondestructive Examination (NDE) Inspector, when he arrived for work on the evening of April 3, 1995. He said that BAKER told him that his concerns were valid and that "today (April 3, 1995) is your last day" on the job. He stated that he believed his concerns were the reason for his termination (Exhibit 3).

When reinterviewed, on May 24, 1995, concerning information which he had provided to the Department of Labor (DOL), DAILY related that a coworker, Steve CANTRELL, former contract Turbine Inspector, Conam, related having overheard Kenneth LLOYD, the Conam supervising inspector for turbine inspections at SSES, talking with HULL in a telephone conversation on April 2, 1995, about DAILY having previously reported safety concerns to the NRC while working at another nuclear power plant. DAILY said that CANTRELL told him that LLOYD was "badmouthing (him) big time" (Exhibit 4).

Allegation: Alleged Discriminatory Termination of a Conam Contract Turbine Inspector at SSES

Summary

The following individuals were interviewed by OI:RI on the dates indicated regarding the allegation that a Conam contract Turbine Inspector, working at SSES, was terminated in retaliation for having identified and reported safety concerns. The pertinent testimony provided by these individuals is documented in the evidence section of this report.

<u>Name</u>	<u>Position</u>	<u>Date of Interview(s)</u>
Robert A. BAKER	Coordinating Engineer, SSES, PP&L	June 8 & July 26, 1995
Steven C. CANTRELL	former Turbine Inspector, Conam	June 6, 1995
Lonnie L. HULL	former Lead Turbine Inspector, Conam	June 7, 1995
Frank J. KLEMOVITCH	Senior QC Specialist, SSES, PP&L	June 8, 1995
Kenneth B. LLOYD	former NDE Technician, Conam	June 2, 1995
Kenneth W. RUSSELL	Operations Manager, Conam, Sharon Hill, PA	May 17 & 24, 1995
Garry W. REESE	Mechanical Maintenance Supervisor, SSES, PP&L	July 26, 1995

Review of Documentation

When interviewed by OI:RI, on May 17, 1995, RUSSELL provided a copy of the letter prepared by DAILY and reportedly presented to BAKER on April 3, 1995 (Exhibit 5). The letter describes DAILY's concerns relative to the magnetic particle examinations of the SSES turbine blades on April 1-2, 1995, and the magnetic particle examination of the SSES turbine shaft on April 2-3, 1995. RUSSELL also provided a copy of the April 12, 1995, Conam letter to KLEMOVITCH describing the Conam review of DAILY's technical concerns and his (DAILY's) allegation of discrimination (Exhibit 7). The Conam letter describes the circumstances and actions which prompted the Conam lay-off of three personnel, including DAILY, on April 4, 1995 (Exhibit 7, p. 4). The letter attributes the lay-off of DAILY to SSES manpower needs, determined prior to any Conam management awareness of DAILY's concerns, and denies any discriminatory actions by Conam (Exhibit 7, p. 5).

On May 19, 1995, the NRC:RI received copies of documentation from the DOL Wage and Hour Division, Wilkes-Barre, Pennsylvania, related to the discrimination complaint filed by DAILY (Exhibit 8). An OI:RI review of the material disclosed that DAILY alleged that a contributing factor to his termination was Conam supervision's awareness of his having previously reported safety concerns to the NRC (Exhibit 8, p. 9).

When reinterviewed on May 24, 1995, DAILY agreed to provide a copy of a letter given to him by CANTRELL, dated April 14, 1995, which describes his (CANTRELL's) overhearing a LLOYD telephone conversation with HULL, wherein LLOYD was allegedly instructing HULL to obtain written statements from personnel on the night shift documenting DAILY's poor attitude and poor performance. The CANTRELL letter states LLOYD's instructions to HULL were designed to defend themselves in the event DAILY made allegations to the NRC, which he (DAILY) had done previously (Exhibit 9).

Evidence

The testimony provided by the foregoing individuals was reviewed to determine whether officials of Conam and/or SSES effected the termination of DAILY's employment at SSES in retaliation for his having identified and reported safety concerns. Additionally, various documents related to this allegation, identified above, were reviewed. Copies of witness interviews and pertinent documents obtained by OI:RI are appended as exhibits to this report.

Investigator's Analysis

HULL (Exhibit 13) and the Conam investigative report (Exhibit 6) confirm that the controversial technical issues, described by DAILY as his concerns, did occur and that corrective action or evaluation ensured their respective technical acceptability. The decision to lay off the Conam night shift personnel was made by REESE, who did not know DAILY nor was he aware of any safety concerns (Exhibit 17). RUSSELL (Exhibit 5), LLOYD (Exhibit 10), KLEMOVITCH (Exhibit 11), and BAKER (Exhibits 12 and 16) each stated that the decision to lay-off DAILY (and two other Conam inspectors at SSES) was made at about mid-day, April 3, 1995, without any knowledge that he had safety concerns. Each also stated that a primary consideration in the selection of personnel for lay-off was the fact that none of these individuals had yet been cleared for unescorted access to the site. All Conam/SSES management/supervisory personnel interviewed denied that retaliation or discrimination was a factor in DAILY's selection for lay-off on April 4, 1995. OI investigation reflects that DAILY's past reporting of safety concerns, at another nuclear facility, was not an element in his lay-off.

Conclusions

Based on the evidence developed during the investigation, it is concluded that retaliation/discrimination was not a factor in the April 4, 1995, termination of DAILY's employment at SSES.

Supplemental Information

On July 6, 1995, DOL notified NRC:RI that its investigation of DAILY's discrimination complaint was not corroborated by their inquiries regarding the circumstances associated with his termination.

LIST OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
1	NRC:RI Allegation Receipt Report, dated April 4, 1995.
2	OI:RI Investigation Status Record, dated April 20, 1995.
3	Report of Interview with DAILY, dated May 1, 1995.
4	Report of Reinterview with DAILY, dated May 24, 1995.
5	Report of Interview with RUSSELL, dated May 17, 1995.
6	DAILY Letter to BAKER, dated April 3, 1995.
7	Conam Letter to KLEMOVITCH, dated April 12, 1995.
8	DOL Complaint, dated May 16, 1995.
9	CANTRELL Letter, dated April 14, 1995.
10	Report of Interview with LLOYD, dated June 2, 1995.
11	Report of Interview with KLEMOVITCH, dated June 8, 1995.
12	Report of Interview with BAKER, dated June 8, 1995.
13	Report of Interview with HULL, dated June 7, 1995.
14	Report of Interview with CANTRELL, dated June 6, 1995.
15	Report of Reinterview with RUSSELL, dated May 24, 1995.
16	Report of Reinterview with BAKER, dated July 26, 1995.
17	Report of Interview with REESE, dated July 26, 1995.