



[REDACTED]  
UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

September 6, 1985

MEMORANDUM REPORT

SUBJECT: ASLBP HEARING REGARDING CATAWBA  
NUCLEAR POWER STATION

OIA FILE: INQ. 85-15

BACKGROUND

On October 24, 1984, James P. O'REILLY, former Regional Administrator, Region II, U.S. Nuclear Regulatory Commission (NRC), sent a memorandum to Sharon R. CONNELLY, Director, Office of Inspector and Auditor (OIA). This memorandum stated that during an ATOMIC SAFETY AND LICENSING BOARD PANEL (ASLBP) hearing conducted from October 9 through 12, 1984, in Charlotte, North Carolina, a witness for the intervenor, PALMETTO ALLIANCE, testified that he was aware of information provided to the NRC that had never been reported or documented by Commission officials.

OIA opened an inquiry into this matter on January 13, 1985.

SUMMARY

In an ASLBP hearing conducted between October 9 through 12, 1984, in Charlotte, North Carolina, Howard Samuel "Sam" NUNN, Jr., at one time employed at the CATAWBA NUCLEAR STATION (CATAWBA) in Clover, South Carolina, testified that he had been told of irregularities at the plant by a former employee at CATAWBA, CS-85-4. According to the testimony provided by NUNN, this

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FREEDOM OF INFORMATION/PRIVACY ACT EXEMPTION (b)(7)(A)(D)

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B-1

information had reportedly also been given to Bruno URYC, Region II Investigative Coordinator, by CS-85-4. NUNN stated that this information had not been reported or documented by the NRC.

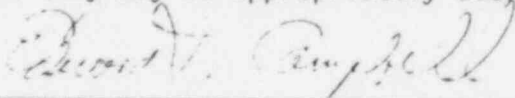
When interviewed, NUNN stated that he was not able to corroborate what CS-85-4 told him with anyone else. OIA interview of CS-85-4 did not disclose that he had told NUNN of any irregularities at CATAWBA. Similarly, an interview of URYC did not reveal that he (URYC) had been informed of the irregularities that had been allegedly told to him by CS-85-4.

Our investigation did indicate that NUNN may have perjured himself at the ASLBP hearing and this matter will be addressed by the Office of Investigations, NRC.

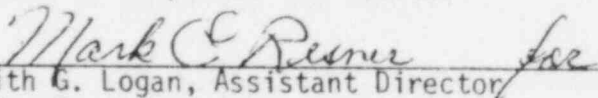
CONCLUSION AND RECOMMENDATION

The facts of this investigation did not substantiate that NUNN was told of any irregularities at CATAWBA by CS-85-4. Furthermore, no evidence was developed which indicated that URYC withheld any information in this instance from his supervisors.

It is recommended that Region II staff be reminded of the requirements of 10 CFR 0.735-3(d)(2) and NRC Manual Chapter 0702-03 which provide, in part, that the Directors of Offices and Divisions report to OIA all complaints concerning fraud, graft, corruption, diversion of NRC assets by NRC employees or contractors, and misconduct of NRC employees. Regarding these requirements, we note that although the allegation in this matter was brought to our attention by an October 24, 1984, memorandum from then Regional Administrator James P. O'REILLY, it appears that URYC had been allowed to begin conducting his own review of the allegation as early as October 15, 1984. Because of the sensitivity in handling such allegations, it is important that OIA be notified of these matters as early as possible in order that they may be appropriately addressed.



Edward T. Campbell, Investigator  
Office of Inspector and Auditor



Keith G. Logan, Assistant Director  
for Investigations  
Office of Inspector and Auditor

Attachments:  
As Stated

August 28, 1985

Date of transcription

Report of Interview

Howard Samuel "Sam" NUNN, Jr., formerly employed as a welder at the CATAWBA NUCLEAR STATION (CATAWBA) in Clover, South Carolina, was interviewed by telephone at his home. He stated the following:

He is currently employed as a welding lead person for the CROWDER CONSTRUCTION COMPANY, Bellhaven Boulevard, Charlotte, North Carolina. He had worked as a welder at CATAWBA from November 1980 until October 1983. He was terminated for excessive absenteeism. He feels that his absenteeism was caused by pressure that the licensee, DUKE POWER COMPANY (DPC), had put him under. He is attempting to sue the company for what he considers to be a capricious dismissal, and also for the resultant hardship that he has suffered. He is being assisted in his effort to sue DPC by the GOVERNMENT ACCOUNTABILITY PROJECT.

He (NUNN) testified at an ATOMIC SAFETY AND LICENSING BOARD PANEL (ASLBP) hearing in October 1984 that

Furthermore, CS-85-4 said that he had been ) These, and other issues that he raised at the ASLBP hearing, were reportedly also told by CS-85-4 to Bruno URYC, an NRC official. Unfortunately, he (NUNN) cannot corroborate this information that CS-85-4 allegedly gave him. Nonetheless, he stands by the veracity of the statements that he had made before the ASLBP. He felt that it was his duty as a concerned citizen to come forward with this information. He has grown tired of the irregularities and infractions that he has seen at nuclear plants. He even has knowledge of an employee at CATAWBA who received a death threat for not cooperating with management. He feels that it is time for the public to be made aware of these matters.

Investigation on August 27, 1985 at Bethesda, Maryland File # I85-15  
by Edward T. Campbell, Investigator, OIA Date dictated August 28, 1985

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[REDACTED]

U.S. NUCLEAR REGULATORY COMMISSION  
Office of Inspector and Auditor

Date of transcription August 27, 1985

Report of Interview

CS-85-4, formerly employed as a welder at the CATAWBA NUCLEAR STATION (CATAWBA) in Clover, South Carolina, was interviewed by telephone at his home. He stated the following:

He is currently employed as a [REDACTED]

He met Howard Samuel "Sam" NUNN, Jr. at [REDACTED]

NUNN did not seem to be very concerned with any health and safety issues at the time.

After he and NUNN completed their [REDACTED]

NUNN had just been hired and was undergoing testing at the plant to determine his [REDACTED] proficiency.

NUNN then told him that he was associated with the PALMETTO ALLIANCE. He (NUNN) stated that he was attempting to recruit any individuals who could assist the PALMETTO ALLIANCE.

Approximately six months after this meeting, he heard that NUNN had been fired from SHEARON HARRIS for continuously being absent from his work station. He (CS-85-4) flatly denies ever having expressed any safety related concerns about CATAWBA to NUNN. He resents these bold-faced lies that NUNN is spreading regarding information that he (CS-85-4) supposedly told him. He has spoken to an attorney in an attempt to stifle the misinformation that is being attributed to him. He never told NUNN that he had been [REDACTED]. Also, he has never discussed any other matters with him pertaining to misconduct or plant deficiencies at CATAWBA. He feels that NUNN is a liar who is trying to use any means at his disposal to assist the PALMETTO ALLIANCE in closing CATAWBA. In fact, NUNN even visited his (CS-85-4) home on two occasions when he was not there, and attempted to have his wife sign documents indicating that there were health and safety cover-ups at the site. He does not wish to have anything further to do with him.

Investigator's Note: CS-85-4 has been given confidential source status by Region II officials.

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U.S. NUCLEAR REGULATORY COMMISSION  
Office of Inspector and Auditor

Date of transcription August 28, 1985

Report of Interview

Bruno URYC, Investigative Coordinator, U.S. Nuclear Regulatory Commission (NRC), Region II, was interviewed by telephone at his Region II office. He stated the following:

He has been employed at the NRC since June 1982. He has been in his present job since August 1983.

He has no idea why Howard Samuel "Sam" NUNN, Jr. is trying to besmirch his good name and reputation. Specifically, he does not know why NUNN has claimed that he (URYC) was attempting to wrongfully suppress information that had been furnished to him by CS-85-4, formerly a [redacted]. He (URYC) has passed on to his supervisors any and all material that CS-85-4 had given him pertaining to irregularities at the CATAWBA NUCLEAR STATION (CATAWBA). In fact, CS-85-4 was given confidential source status by the Region and he has provided some valuable tips to the NRC.

He was flabbergasted when NUNN testified in public at an ATOMIC SAFETY AND LICENSING BOARD PANEL (ASLBP) hearing held at Charlotte, North Carolina, in October 1984 that he (URYC) was aware that

This, and other equally unfounded allegations of malfeasance made by NUNN, are simply not so.

He thinks that NUNN is a confused person. [redacted]

He knows that NUNN is affiliated with the PALMETTO ALLIANCE, an intervenor group headquartered in the Carolinas. He thinks that NUNN and the PALMETTO ALLIANCE people are attempting to grasp at straws in an attempt to close CATAWBA.

Investigation on August 28, 1985 at Bethesda, Maryland File # 185-15  
by Edward T. Campbell, Investigator, OIA Date dictated August 28, 1985

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Team Leader's Meeting Notes for March 20, 1986

AFFILIATIONS:

Use EXIMBLI, not EECMOBL, for Mobile Lab, Inc.

AFFILIATIONS:

Use EECVJT, not EECTHETI, for Thompson Engineering Testing, Inc. (formerly Vester J. Thompson, JR., Inc.)

DOCUMENT TYPE CODE:

Audits (VAAUD) should only be coded when received as standalones.

FILE LEVELS:

Remember to look up all CF SUBJ file levels before using them.

FILE LEVELS:

When you are adding secondary file levels to a document, such as an F in FIL3 for inspection report, and you do not mention the reason in the title, please add a note on the coding sheet so the QC person checking the list understands the reason for the file level.

FILE LEVELS:

Normally, 1500000XX dockets are associated with inspections of waste packaging facilities and receive the associated 27 or 30 docket in the file levels. However, some 1500000XX dockets are artificially created to track state licensees between Agreement States. (See Attachment 1). In this case, pick up the states with PDR STPRG file levels.

LEGALS:

Please add the following to your legal proceeding sheet: 50-353/353 OLA/OLA-2. Apparently these two hearings have been combined into one. They are run together in the QDID, not picked up separately.

QDID:

CAL-YY-XX - two digits, not three.

TITLE:  
Seismic Class 1 is initial capped.

TITLE :  
For Office of Inspection and Enforcement use IE in the  
TID and I&E in the file levels.

TITLE :  
The branch is written Plant Electrical,...., not Plant,  
Electrical, etc.

APPENDIX A

U. S. NUCLEAR REGULATORY COMMISSION

REGION IV

NRC Inspection Report: 15000042/85-01

General Licensee

Docket: 15000042

License: H & G Inspection Company, Inc.  
9315 Summer Bell  
Houston, Texas 77272

Inspections at: Shute Creek, Wyoming and Houston, Texas

Inspections Conducted: November 13 and November 21, 1985

Inspector: *L. T. Ricketson, P. E.*  
L. T. Ricketson, P. E., Radiation Specialist

2-18-86  
Date

Approved: *R. J. Everett*  
R. J. Everett, Chief, Nuclear Materials Safety  
Section

3/28/86  
Date

Inspection Summary

Inspection Conducted November 13 and 21, 1985 (Report: 15000042/85-01)

Areas Inspected: A special, unannounced inspection was conducted in response to allegations of violations of regulations and operating procedures and unsafe practices. Included are a field inspection to observe operations and interview personnel, and a visit to company headquarters to review records of personnel monitoring, source utilization, survey instrument calibration, and personnel training.

The inspection involved 6 inspector-hours onsite by one NRC inspector.

Findings:

Of five allegations involving possible violations of NRC regulations or NRC license conditions, two allegations were substantiated. A third allegation was substantiated, but did not result in a violation of regulations being cited. In addition, the field inspection resulted in the identification of three violations. The findings were: