

February 1, 1988

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PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE -- PNO-IV-88-08

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 Region IV staff on this date.

FACILITY: Houston Lighting and Power Company  
South Texas Project  
Bay City, Texas

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

SUBJECT: TWO HOUSTON LIGHTING AND POWER MANAGERS TERMINATED

On January 29, 1988, Houston Lighting and Power Company (HL&P) reported that two mid-level managers at the South Texas Project (STP) had been terminated and walked off site for activities that could be characterized as corporate theft. The terminations were the result of an undercover investigation conducted by HL&P. The investigation is still in process and more suspensions and terminations are expected.

One of the individuals was the manager of the metrology laboratory where measuring devices are calibrated to standards. The second individual was the Facility Services Manager who was responsible for janitorial services, grounds keeping, phone service and related activities.

Although it is not yet clear which individual was involved in which specific activity, the individuals were said to have been engaged in the unauthorized use of company resources in an effort to establish themselves in private enterprise. One individual had violated HL&P conflict of interest policy by channeling project work to an outside firm in which he owned part interest.

HL&P plans to conduct an appropriate review of any safety-related work performed by the involved individuals. In addition, since these individuals have security clearances, HL&P will review their security screening process to determine if improvements are needed.

NRC Region IV plans to conduct a review of the aspects of this investigation that have regulatory interest. At this time there is no indication that these issues have had an impact on safety.

HL&P does not plant to make a press release, however, they are prepared to respond to media inquiries. The NRC does not plan to issue a press release.

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The state of Texas will be informed.

Region IV received notification of this occurrence by telephone from the Senior Resident Inspector at South Texas Project. Region IV has informed (EDO/NRR/PA).

This information has been confirmed with a licensee representative.

CONTACT: G. L. Constable, 728-8151

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