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To: WND2.WNP3(jaz,awd,jnh),WND1.WNP2(hjm,dcd),TWD1.TWP...
Date: 10/23/96 9:27am
Subject: Letter to NRC's Inspector General

FRIENDS:

This is an official letter from Ernie Hadley. Time for Gene Kelly to put his dancing shoes back on.

October 23, 1996

George Mulley
Office of Inspector General
Nuclear Regulatory Commission
Washington, D.C. 20555

re: Request for Investigation

Dear Mr. Mulley:

I am writing to you to request that the Office of Inspector General immediately initiate an investigation into comments recently made by NRC staff members from Region I. I forward a copy of an article which appeared on Page 1 of The Hartford Courant, Sunday, October 20. These comments, if correctly reported, display an alarming attitude by Region I staff toward whistleblowers from Northeast Utilities, including some of my clients.

Several issues are raised by The Courant article. The first issue is how, in good faith, any employee with a safety or regulatory concern can approach Region I? Mr. Kelly, in the article, openly expresses contempt for whistleblowers and further expresses his belief that whistleblowers became "disenchanted" employees to further their own interests. Frankly, given the comments of Mr. Kelly, I cannot imagine any circumstances in which I would advise one of my clients to report any potential safety or regulatory violation to Region I. Based on the past conduct of the Region, in conjunction with the comments published in this article, I only can surmise that the principle issue for the Region will be the motives of my client and not the merits of his or her allegations.

This is a prime example of the so-called "chilling effect." However, as I have contended in the past, the real "chilling effect" comes not from the utilities that engage in harassment, intimidation and discrimination, but from NRC staff who give the utilities carte-blanche to engage in such activities with impunity.

The second issue the article raises is who are the employees Mr. Kelly is referring to and on what basis does he make these allegations? Is it possible that the "prominent NU whistle-blower" referred to by Mr. Kelly is Paul Blanch? It is my understanding that the references in this article that the unidentified whistleblower is "selfishly motivated" and "trying to get his name in lights again" is taken from a transcript of Mr. Kelly's interview with the Hannon task force. It is further my understanding that the name of the whistleblower was redacted from the transcript. Please be advised that

Mr. Blanch waives any Privacy Act rights he may have with respect to Mr. Kelly's transcript and requests that all references to him in transcripts of interviews with NRC employees be placed in the Public Document Room.

If Mr. Kelly was referring to Mr. Blanch then I would ask your office to investigate whether these statements were made by Mr. Kelly as an effort to discredit Mr. Blanch in retaliation for exposing Mr. Kelly's past involvement in the water level instrumentation issue that was identified by Mr. Blanch. As you may recall, it was Mr. Kelly who asked Mr. Blanch to review the data from Pilgrim Station that directly led to the discovery of the instrumentation problem.

It also appears that Mr. Kelly has attempted to discredit George Galatis inferring that Mr. Galatis "exploited" a "mechanical or procedural" problem. I am specifically disturbed by Mr. Kelly's reference to lay offs and cost cutting and the inference that complaints were manufactured by my clients and others as a means of insulating them from future personnel actions. Mr. Galatis also waives any Privacy Act rights he may have with respect to the transcripts and requests that all references to him in transcripts of interviews with NRC employees be placed in the Public Document Room.

Another issue raised by the article is whether the feelings expressed by Messrs. Kelly, Vito and Cooper influenced the Region's disposition of technical issues raised by my clients and others. Both the water level instrumentation issue and the spent fuel pool issues were mishandled by the Region. How many other issues have been mishandled by the Region because of the view that the alleged was simply trying to "exploit" the utility?

Given this attitude another question that must be asked is whether the Region's view of whistleblowers has influenced the selection of allegations which are referred back to Northeast Utilities? As you are aware, I recently have provided information to your office about improper referrals by the Region to Northeast Utilities, particularly in circumstances that "fingerprint" the alleged. This raises at least the prospect that the Region is using such referrals as a means to retaliate against whistleblowers, whom the Region believes have less than pure motives for making protected disclosures.

Next, how did The Courant come to be in possession of these transcripts which, until recently, were not in the Public Document Room? As I recall, the Commission was gravely concerned when I was able to learn of the results of the OI investigation into the spent fuel pool allegations.

Indeed, consideration was given to issuing a subpoena to me in an effort to learn my source. Will the Commission be equally concerned about the source of information that seeks to actively discredit whistleblowers? And, why are the transcripts of the interviews with the Hannon task force being made publicly available before the report is out? Certainly, it is convenient that an effort is made to discredit Northeast Utilities whistleblowers before the report is public.

Finally, the question arises as to whether or not Mr. Kelly's views are endorsed by the Office of Nuclear Reactor Regulation and the Office of Investigations? Certainly such a conclusion is supported by the briefing I received in August 1996 from the Hannon task force. I wonder if the same

conclusions will appear in the final version of the report which has been under the Commission's control for over two months?

Frankly, I cannot see how me or my clients, not to mention the public, can have any degree of confidence in the NRC. Combined with the recent transgressions of Wayne Lanning in exposing Northeast Utilities whistleblowers to further harassment, the comments of Mr. Kelly give a true picture that nothing at the Commission has changed. I plan to advise all of my clients to have no further contact with the Region.

I hope the Office of Inspector General will see fit to investigate the issues discussed in this letter.

Sincerely,

Ernest C. Hadley

cc: P. Blanch
G. Galatis

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