

August 30, 1985

MEMORANDUM FOR: Chairman Palladino
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
Commissioner Zech

FROM: Sharon R. Connelly, Director
Office of Inspector and Auditor

Original Signed by
George H. Messinger

SUBJECT: COMANCHE PEAK - GAP ALLEGATIONS (LACK OF NRC ACTION WHEN NOTIFIED OF WRONGDOING BY UTILITY)

The attached report documents the Office of Inspector and Auditor's (OIA) investigation into allegations by Ms. Billie Pirner Garde, Director, Citizens Clinic, Government Accountability Project (GAP) that Region IV and the Office of Investigations (OI) took no action when reports of wrongdoing by Texas Utilities Generating Company (TUGCO) management and employees were received. TUGCO is the applicant at the Comanche Peak Steam Electric Station (SES). Ms. Garde outlined three instances when Region IV and OI allegedly failed to respond to reports of wrongdoing by TUGCO:

- On March 8, 1984, the Comanche Peak SES Quality Assurance Supervisor detained eight quality control inspectors in a room then searched their desks and confiscated inspection reports documenting numerous deficiencies with electrical equipment.
- In September 1983, TUGCO management pressured a contract inspector to reword his inspection report concerning the adequacy of the paint coatings program at Comanche Peak SES.
- TUGCO had falsified inspection reports concerning improper installation of liner plates for the spent fuel tank, refueling cavities, and two transfer canals.

OIA investigation disclosed that Region IV initially took no action when several anonymous callers and the TUGCO Vice President for Nuclear Operations reported that some Comanche Peak SES quality control inspectors had been

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FREEDOM OF INFORMATION/PRIVACY ACT EXEMPTION (b)(5) & (7)(c)

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sequestered in a room and their desks were being searched. By the time Region IV acted to obtain firsthand information, the incident was over. When Region IV later learned that TUGCO management had confiscated inspection documents from desks of quality control inspectors, the region acted promptly to secure custody of the documents and to place them under NRC control. OIA learned that once OI ensured the seized inspection records were under NRC control, that office took no further action into this matter because no allegations of harassment or intimidation were made.

In regard to the alleged inaction by Region IV and OI when notified that a contract inspector had been pressured to reword an inspection report, OIA's investigation developed no information that the contract inspector made an allegation to the NRC that he had been unduly pressured, harassed, or intimidated by his employer or TUGCO to retract his inspection report.

Our investigation into actions by Region IV and OI when notified that TUGCO had falsified inspection reports concerning the spent fuel tank liner plates determined that as a result of the allegations received in April 1984, OI conducted an investigation into falsification of inspection reports by TUGCO and the NRC Comanche Peak Technical Review Team (TRT) reviewed the technical issues. OIA learned, however, that in August 1983, OI had received information that TUGCO was allegedly falsifying liner plate inspection documents. OI did not identify this as an OI matter; therefore, no investigation of the alleged falsification of inspection documents was conducted at that time. However, as a result of the information received in April 1984, the allegations originally raised in August 1983 were investigated by OI.

Conclusion

The facts developed during this investigation indicate that Region IV was not sufficiently sensitive to reports concerning the detention of Comanche Peak quality control inspectors and the search of their desks and files. OIA believes that Region IV should have more promptly responded to the anonymous allegations by acting to gather firsthand information about the ongoing incident. Region IV would have then been better able to decide whether the situation was a TUGCO labor-management dispute or whether additional NRC involvement was required.

The OIA investigation did not develop any indication that the contract inspector believed or reported that he was harassed, intimidated, or unduly pressured in connection with his inspection report. Consequently, we believe Region IV and OI acted appropriately in this matter.

OIA believes that Region IV and OI responded appropriately to reports received in April 1984, alleging falsification of inspection reports concerning the spent fuel pool liner plates. As a result of these allegations, the OI Field Office, Region IV, conducted an investigation into possible licensee wrongdoing and the NRC Comanche Peak TRT reviewed the technical concerns with the spent fuel pool liner plates. OIA noted, however, that the OI Field Office, Region IV had received information in August 1983, that inspection

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reports for the spent fuel pool liner plates were being falsely prepared. Because this was not identified as an OI matter at that time, investigation of this issue was inappropriately delayed until the allegations were again received in April 1984.

cc: W. Dircks, EDO, w/attach
B. Hayes, OI, w/o attach
W. Magee, OCM, w/o attach

THIS REPORT IS BEING PROVIDED FOR THE COMMISSION'S INFORMATION. NO ACTION BY THE COMMISSION IS REQUIRED AT THIS TIME.

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