

April 29, 1983.

MEMORANDUM FOR: Chairman Palladino
Commissioner Gilinsky
Commissioner Ahearne
Commissioner Roberts
Commissioner Asselstine

151 J.F.C.

FROM: James J. Cummings, Director
Office of Inspector and Auditor

SUBJECT: CATAWBA NUCLEAR POWER STATION; REVIEW OF NRC HANDLING OF ALLEGATIONS

In an April 21, 1983, letter to the Director, Office of Investigations (OI), and the Region II Regional Administrator, the Government Accountability Project (GAP) of the Institute for Policy Studies on behalf of a citizens group in South Carolina expressed their questioning of "...the Nuclear Regulatory Commission's (NRC) oversight of problems that have been brought to the attention of both the resident and regional inspectors and investigators." Insofar as the GAP letter addresses possible NRC employee improprieties, Ben Hayes has referred this matter to the Office of Inspector and Auditor (OIA).

The GAP letter focuses on allegations that were brought to the attention of the NRC Regional Office in January 1982 by quality control welding inspectors at the Catawba Nuclear Power Station regarding Duke Power Corporation management and alleged falsification of inspection documents.

The allegations were reportedly investigated and eventually dismissed by a utility task force. GAP review of documents obtained through the Freedom of Information Act reportedly identifies possible evidence of utility management harassment/intimidation as described in reports written by the NRC Senior Resident Inspector at Catawba and Region II staff.



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