



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1115

April 24, 1998

EA 97-420

Mr. Richard R. Wackenhut
President and COO
Wackenhut Corporation
4200 Wackenhut Drive
Palm Beach, Florida 33410-4243

SUBJECT: (NRC Office of Investigations Nos. 1-96-024 and 1-96-031)

Dear Mr. Wackenhut:

This letter refers to the two subject NRC investigations conducted by the NRC Office of Investigations (OI) concerning activities performed by certain Wackenhut staff working as contract security force personnel at the Public Service Gas & Electric (PSE&G) Salem and Hope Creek nuclear facilities in Hancocks Bridge, New Jersey. The results of the investigations were sent to Mr. Raymond Cogdell, your Project Manager at these facilities, on October 1, 1997. OI Investigation No. 1-96-024, the synopsis of which was sent to you with the October 1, 1997 letter, found that inaccurate information regarding the posting of compensatory measures was recorded in the Safeguards Event Log, and that, at a minimum, the deliberate actions of two Wackenhut personnel caused this documentation inaccuracy. OI Investigation No. 1-96-024, a redacted version of which was also sent to you on October 1, 1997, found that a contract security officer employed by Wackenhut at Salem/Hope Creek was discriminated against for raising safety concerns. A DOL Area Director had similarly found discrimination, as did a DOL Administrative Law Judge in a Recommended Decision and Order issued on January 22, 1998. Predecisional enforcement conferences were conducted with Mr. L. Storz, PSE&G, and Mr. Gary Sanders, Wackenhut, as well as other members of the PSE&G and Wackenhut staffs on December 9, 1997, to discuss the apparent violations, their causes, and your corrective actions.

With respect to the discrimination issue, the NRC has decided, based on the information developed during the investigations, and the information provided during the December 9, 1997 conference, to await issuance of the DOL Secretary of Labor's Administrative Review Board (ARB) decision prior to making a final enforcement decision. With respect to the issue involving the inaccurate records, the NRC has determined that one violation of NRC requirements was identified, and a Notice of Violation is being issued to PSE&G by separate correspondence on this date. The violation involves the creation of inaccurate security records by two Wackenhut security personnel to indicate that compensatory measures were in place within the required time (10 minutes) following the failure of the security computer in May 1996. Specifically, a security officer did not arrive at a certain post for 18 minutes after the security computer failed, yet the record (Safeguard Event Log) created by a CAS/SAS supervisor, and a Systems Operations Supervisor, indicated that the officer arrived at the location within the allotted 10 minutes. The failure to respond within 10 minutes is a security event that licensee procedures require to be recorded in the Safeguard Event Log. PSE&G had previously investigated this matter and confirmed that the timeliness requirements had not been met and that the record was inaccurate, as you also acknowledged at the enforcement conference.

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These actions by your employees, namely a Systems Operations Supervisor, and a CAS/SAS operator, constitute a willful violation of NRC requirements. Based on a careful review of the OI report, and the details discussed at the predecisional enforcement conference, the NRC has concluded that the individuals involved had information that the area was not posted within 10 minutes. This determination was based on the fact that the Systems Operations Supervisor was approached by other security personnel and told that compensatory assignments may not have been met within 10 minutes, and he attempted to verify that information by making a call to the CAS/SAS operator. Moreover, the CAS/SAS operator was the individual who was informed by the security officer as to when the officer actually arrived at the post. Nonetheless, an inaccurate record was created. Therefore, their actions are considered willful within the context of the NRC Enforcement Policy, and this constitutes a significant regulatory concern. The NRC has previously issued documents emphasizing the importance of maintaining complete and accurate records of activities performed, such as in NRC Information Notice 92-30 issued on April 23, 1992, and NRC Generic Letter 93-03 issued on October 20, 1993. Those documents describe similar occurrences of records being falsified at other facilities.

At the predecisional enforcement conference, both you and PSE&G admitted that the records were inaccurate, but you indicated that you were unable to conclude that the actions were willful. Rather, you attributed the violation to a failure of security leadership which resulted in a cultural decline within the security organization. The NRC agrees that there was a decline in the security program at the time, as evidenced by a \$100,000 civil penalty issued to PSE&G on December 11, 1996 for violations of security requirements at the station, and that a lack of appropriate oversight of the program contributed to the decline. Nonetheless, the NRC also maintains that the violation that is the subject of this letter was willful for the reasons stated above.

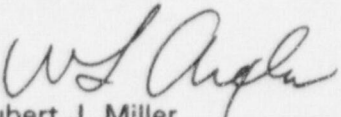

While the NRC has decided not to take action directly against you nor the two individuals in this case, you should remind your staff, both at the Salem/Hope Creek facilities, as well as at other nuclear facilities where you provide security services, of the importance of ensuring that activities are performed in accordance with requirements, and that records of those activities are complete and accurate. In addition, although the NRC has decided to await issuance of the DOL Secretary of Labor ARB decision with respect to the discrimination matter, you should also ensure that all of your managers and supervisors, at all of your contracted nuclear facilities, understand the need for, and encourage, staff to bring forth concerns when they exist, and also understand the importance of not taking any retaliatory action against individuals for bringing forth safety concerns.

Wackenhut Corporation

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No response to this letter is required. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, will be placed in the NRC Public Document Room (PDR).

Sincerely,


Hubert J. Miller
Regional Administrator 

Enclosure: Letter and Notice of Violation to PSE&G

cc w/encl:

L. Storz, Senior Vice President - Nuclear Operations
E. Simpson, Senior Vice President - Nuclear Engineering
E. Salowitz, Director - Nuclear Business Support
A. Kirby, III, External Operations - Nuclear, Delmarva Power & Light Co.
C. Bakken, General Manager - Salem Operations
M. Bezilla, General Manager - Hope Creek Operations
J. McMahon, Director - QA/Nuclear Training/Emergency Preparedness
D. Powell, Manager, Licensing and Regulation
R. Kankus, Joint Owner Affairs
A. Tapert, Program Administrator
J. Keenan, Esquire
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Wackenhut Corporation

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