



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION I  
475 ALLENDALE ROAD  
KING OF PRUSSIA, PENNSYLVANIA 19406-1415  
April 24, 1998

IA 98-022

Mr. Samuel Crowe  
[HOME ADDRESS DELETED  
UNDER 10 CFR 2.790]

SUBJECT: NRC Investigation Report Nos. 1-96-024 and 1-96-031

Dear Mr. Crowe:

This refers to the NRC investigation conducted at the Public Service Electric and Gas Company's Salem/Hope Creek Nuclear Generating Station, Hancocks Bridge, New Jersey, documenting that you, as a CAS/SAS operator, falsified records of a Safeguards Event Log in May 1996. Specifically, the log indicated that compensatory measures were in place within the required time (10 minutes) following security management's awareness of the failure of the security computer in May 1996, even though the security officer sent to the area as a compensatory measure did not arrive at that post for 18 minutes after the computer failed. The failure to respond within 10 minutes is a security event that licensee procedures require to be recorded in the Safeguard Event Log. A licensee investigation previously substantiated that timeliness requirements were not met and that the record was inaccurate. This matter was discussed at an enforcement conference with PSE&G and Wackenhut staff, including yourself, on December 9, 1997.

You were involved in this matter, as you were the CAS/SAS Operator at the time and you were responsible for ensuring that security requirements were met, and accurate records of activities were maintained. The NRC maintains that your actions, which resulted in the record being inaccurate, were willful. You were informed by the security officer as to when the officer actually arrived at the post. As a result, in part, of your actions, the NRC has issued the enclosed Notice of Violation to PSE&G.

The NRC decided not to take enforcement action against you directly in this case. Nonetheless, while formal enforcement action is not being taken against you, you should be aware that the NRC regulations allow the issuance of civil sanctions to be taken directly against unlicensed persons who, through their deliberate misconduct, cause a licensee to be in violation of NRC requirements. Deliberate misconduct includes an intentional act or omission that the person knows constitutes a violation of a requirement, procedure or training instruction. An order may also be issued to an individual to prevent his or her engaging in licensed activities at all NRC licensed facilities. A violation of this regulation as set forth in 10 CFR 50.5, "Deliberate Misconduct", may also lead to criminal prosecution. Deliberate acts on your part in the future could lead to formal NRC enforcement action against you.

You are not required to respond to this letter. However, if you choose to provide a response, please provide it to me within 30 days at U.S. Nuclear Regulatory Commission, Region I, U.S. Nuclear Regulatory Commission, 475 Allendale Road, King of Prussia, Pennsylvania 19406.

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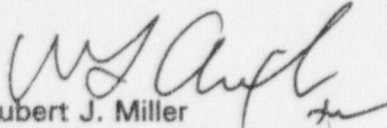
Mr. Samuel Crowe

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In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, records or documents compiled for enforcement purposes are placed in the NRC Public Document Room (PDR). A copy of this letter with your address removed, and your response, if you choose to submit one, will be placed in the PDR.

If you have any questions or comments, please contact Mr. James Lieberman, at (301) 415-2741.

Sincerely,

  
Hubert J. Miller  
Regional Administrator

Enclosures:

1. Letter and Notice of Violation to PSE&G
2. Letter to Wackenhut Corporation

cc w/encls:

- L. Storz, Senior Vice President - Nuclear Operations, PSE&G
- R. Wackenhut, President and COO, Wackenhut Corporation

**Mr. Samuel Crowe**

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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION I  
475 ALLENDALE ROAD  
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

April 24, 1998

EAs 97-351  
97-422

Mr. Harold W. Keiser  
Executive Vice President  
Nuclear Business Unit  
Public Service Electric and Gas Company  
Post Office Box 236  
Hancocks Bridge, New Jersey 08038

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

Dear Mr. Keiser:

This letter refers to the two subject NRC investigations conducted by the NRC Office of Investigations (OI), the results of which were sent to you 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 (AD) had similarly found discrimination, as did a DOL Administrative Law Judge (ALJ) in a Recommended Decision and Order issued on January 22, 1998. Predecisional enforcement conferences were conducted with Mr. L. Storz and other members of your staff on December 9, 1997, to discuss the violations, their causes, and your corrective actions.

Based on the information developed during the investigations, and the information provided during the December 9, 1997, conference, the NRC has decided, with respect to the discrimination issue, to await issuance of the DOL Secretary of Labor's Administrative Review Board (ARB) decision prior to making a final enforcement decision, as noted in a letter from James Lieberman, NRC Director of Enforcement, on March 20, 1998. With respect to the falsification issue, one violation of NRC requirements is being cited. The violation is described in detail in the enclosed Notice of Violation and involves inaccurate security records created by two Wackenhut security personnel indicating 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 computer failed, yet the record (Safeguards Event Log) created by a Systems Operations Supervisor, based on information received from a CAS/SAS operator, 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. You previously investigated this matter and confirmed that the timeliness requirements were not met and that the record was inaccurate.

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These actions by the Systems Operations Supervisor, and the 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 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. Assuming the CAS/SAS operator provided accurate information (the CAS/SAS operator informed the Systems Operations Supervisor that the posting had been completed within the required 10 minutes), he did not resolve the difference. Also, the CAS/SAS operator was informed by the security officer as to when the officer actually arrived at the post and this time was not within the required 10 minutes. 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, you admitted that the records were inaccurate, but you stated 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. While the failure of security leadership likely contributed to this violation, the NRC maintains that the violation was willful for the reasons discussed above. Therefore, given the significance of willful violations of NRC requirements, the violation is classified at Severity Level III in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," NUREG-1600 (Enforcement Policy).

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$55,000 is considered for a Severity Level III violation. Because PSE&G has been the subject of escalated enforcement action in the past two years<sup>1</sup>, the NRC considered whether credit was warranted for *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section VI.B.2 of the Enforcement Policy. In this case, credit is warranted for both factors because the inaccurate information was identified by your staff and prompt and comprehensive corrective actions were taken thereafter. Those corrective actions included, but were not limited to: (1) changes in the security management organization at the facility, including new supervision; (2) briefing of the security officers regarding expectations; (3) revision of procedures; (4) discussions with the individuals involved in this event regarding management expectations on posting and logging requirements, and the seriousness of recording inaccurate information; and (5) other actions, including communication of the Employee Concerns Program and the Corrective Action Program, to improve the climate and culture within the security organization.

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<sup>1</sup> For example, on December 11, 1996, two civil penalties were issued to PSE&G, which consisted of (1) a \$100,000 civil penalty for violations of security requirements (Reference: EA 96-344), and (2) a \$80,000 civil penalty for violations involving discrimination of individuals who engaged in protected activities (Reference: EA 96-177)

Therefore, to emphasize the importance of prompt identification and correction of problems at the facility, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case.

Although the NRC has decided, with respect to the discrimination matter, to await issuance of the DOL Secretary of Labor ARB decision, you should ensure that all of your management and supervisors 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.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be placed in the NRC Public Document Room (PDR).

Sincerely,

  
Hubert J. Miller  
Regional Administrator

Docket Nos. 50-272; 50-311; 50-354  
License Nos. DPR-70; DPR-75; NPF-57

Enclosure: Notice of Violation



**Public Service Electric and  
Gas Company**

**4**

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  
M. Wetterhahn, Esquire  
J. Keenan, Esquire  
J. Isabella, Manager, Joint Generation Atlantic Electric  
Consumer Advocate, Office of Consumer Advocate  
W. Conklin, Public Safety Consultant, Lower Alloways Creek Township  
Public Service Commission of Maryland  
State of New Jersey  
State of Delaware

ENCLOSURE

NOTICE OF VIOLATION

Public Service Electric and Gas  
Salem Units 1 and 2  
Hope Creek Unit 1  
Hancocks Bridge, New Jersey

Docket Nos. 50-272; 50-311; 50-354  
License Nos. DPR-70; DPR-75; NPF-57  
EA No. 97-422

As a result of an investigation conducted by the NRC Office of Investigations, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the particular violation is set forth below:

10 CFR 50.9 requires, in part, that information required by the Commission's regulations or license conditions to be maintained by the licensee shall be complete and accurate in all material respects.

License Condition 2.E of License Number NPF-57 for the Hope Creek facility, and License Conditions 2.E of License Numbers DPR-70 and DPR-75 for Salem, require, in part, that PSE&G fully implement and maintain in effect all provisions of the safeguards contingency plans approved by the Commission and all amendments and revisions to such plans made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p).

Section 4.3.1 of the PSE&G Safeguards Contingency Plan requires that the licensee establish, implement, and maintain, security contingency procedures.

Security Contingency Plan Procedure (SCP-15), "Safeguards Event Reporting Procedure", requires, in Section 4.6.1 that the licensee record in the Safeguards Event Log, and retain on site for inspection by the NRC, any failure or degradation of a safeguards system or a discovered vulnerability that could have allowed unauthorized or undetected access to the protected or vital area, if compensatory measures had not been established. Section 4.3.1 requires that compensatory measures be placed in effect within ten minutes of security management becoming aware of the event.

Contrary to the above, a Safeguard Event Log, required to be maintained by the licensee, was not complete and accurate in all material respects. Specifically, after security management became aware of the failure of the security computer at 6:10 a.m. on May 25, 1996, security post No. 127 was not manned until 6:28 a.m., approximately 18 minutes after the computer failure. However, the Safeguards Event Log was inaccurate in that it documented that the compensatory measures were implemented at 6:19 a.m.. These records were material because they provide evidence as to whether the licensee met the requirement for manning the post within 10 minutes. (01013)

This is a Severity Level III violation (Supplement VII).

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Pursuant to the provisions of 10 CFR 2.201, Public Service Electric and Gas Company (Licensee) is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Dated at King of Prussia, Pennsylvania  
this 24th day of April 1998



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION I  
475 ALLENDALE ROAD  
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

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,

A handwritten signature in dark ink, appearing to read "H. J. Miller", written in a cursive style.

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  
J. Isabella, Manager, Joint Generation Atlantic Electric  
Consumer Advocate, Office of Consumer Advocate  
W. Conklin, Public Safety Consultant, Lower Alloways Creek Township  
Public Service Commission of Maryland  
State of New Jersey  
State of Delaware