



U.S. NUCLEAR REGULATORY COMMISSION

RESPONSE TO FREEDOM OF INFORMATION ACT (FOIA) REQUEST

PDR
016

NRC FOIA REQUEST NUMBER(S) FOIA-84-744	
RESPONSE TYPE	
FINAL	<input checked="" type="checkbox"/> PARTIAL 8TH
DATE SEP 21 1987	
DOCKET NUMBER(S) (if applicable)	

REQUESTER
Ms. Dixon and Mr. Devine

PART I. - RECORDS RELEASED OR NOT LOCATED (See checked boxes)

- No agency records subject to the request have been located.
- No additional agency records subject to the request have been located.
- Agency records subject to the request that are identified in Appendix _____ are already available for public inspection and copying in the NRC Public Document Room, 1717 H Street, N.W., Washington, DC.
- Agency records subject to the request that are identified in Appendix **J** are being made available for public inspection and copying in the NRC Public Document Room, 1717 H Street, N.W., Washington, DC, in a folder under this FOIA number and requester name.
- The nonproprietary version of the proposal(s) that you agreed to accept in a telephone conversation with a member of my staff is now being made available for public inspection and copying at the NRC Public Document Room, 1717 H Street, N.W., Washington, DC, in a folder under this FOIA number and requester name.
- Enclosed is information on how you may obtain access to and the charges for copying records placed in the NRC Public Document Room, 1717 H Street, N.W., Washington, DC.
- Agency records subject to the request are enclosed. Any applicable charge for copies of the records provided and payment procedures are noted in the comments section.
- Records subject to the request have been referred to another Federal agency(ies) for review and direct response to you.
- In view of NRC's response to this request, no further action is being taken on appeal letter dated _____.

PART II.A - INFORMATION WITHHELD FROM PUBLIC DISCLOSURE

Certain information in the requested records is being withheld from public disclosure pursuant to the FOIA exemptions described in and for the reasons stated in Part II, sections B, C, and D. Any released portions of the documents for which only part of the record is being withheld are being made available for public inspection and copying in the NRC Public Document Room, 1717 H Street, N.W., Washington, DC, in a folder under this FOIA number and requester name.

Comments

SIGNATURE, DIRECTOR, DIVISION OF RULES AND RECORDS

Linda Robinson for Donnie Givinsley

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APPENDIX J

RECORDS MAINTAINED IN THE PDR UNDER THE ABOVE REQUEST NUMBER

<u>NUMBER</u>	<u>DATE</u>	<u>DESCRIPTION</u>
1.	1-12-84	memo from Hudson to Delinsky re: Rep 1 #3- Quality Assurance Discrepancies Association w/ Pullman Power Products Internal Audit # 101 at The Diablo Canyon nuclear Plant. (12 pages)

GOVERNMENT ACCOUNTABILITY PROJECT

Institute for Policy Studies

101 Que Street, N.W., Washington, D.C. 20009

(202) 234-9382

September 13, 1984

FREEDOM OF INFORMATION
ACT REQUEST

FOIA-84-744
Rec'd 9-17-84

Director
Office of Administration
U.S. Nuclear Regulatory Commission
Washington DC 20555

To Whom It May Concern:

Pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. §552, the Government Accountability Project (GAP) request copies of any and all agency records and information, including but not limited to notes, letters, memoranda, drafts, minutes, diaries, logs, calendars, tapes, transcripts, summaries, interview reports, procedures, instructions, files, graphs, engineering analyses, charts, maps, photographs, agreements, handwritten notes, studies, data sheets, notebooks, books, telephone messages, computations, voice recordings, any other data compilations, interim and/or final reports, status reports, and any other records relevant to and/or generated in connection with the Safety Evaluation Report related to the operation of the Diablo Canyon Nuclear Power Plant, Unit 1 and 2, NUREG-0675, Supplement No. 22, which provided the NRC Staff's further findings on whistleblower charges. We request that each responsive document be identified by the allegation number(s) to which it may relate.

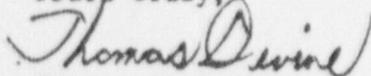
- If any of the materials covered by this request has been destroyed and/or removed, please provide all surrounding documentation, including but not limited to a description of the action(s) taken, relevant date(s), and justification(s) for the action(s).

GAP request that fees be waived, because "findings information can be considered as primarily benefitting the general public," 5 U.S.C. §552(a)(4)(A). GAP is a non-profit, non-partisan public interest organization concerned with honest and open government. Through legal representation, advice, national conferences, films, publications and public outreach, the project promotes whistleblowers as agents of government accountability. We are requesting the above information as part of an on-going monitoring project on the adequacy of the NRC's efforts to protect public safety and health at nuclear power plants.

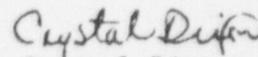
For any documents or portions that you deny due to a specific FOIA exemption, please provide an index itemizing and describing the documents or portion of documents withheld. The index should provide a detailed justification of your grounds for claiming each exemption, explaining why each exemption is relevant to the document or portion of the document withheld. This index is required under Vaughn v. Rosen(I), 484 F.2d. 820 (D.C. Cir. 1973), cert. denied, 415 U.S. 977 (1974).

We look forward to your response to this request within ten days.

Yours truly,



Thomas Devine
Legal Director



Crystal Dixon
Legal Intern

8506040557

To: Hon. Victor Gilinsky, Commissioner
 United States Nuclear Regulatory Commission
 1717 H Street
 Washington, D.C. 20555

From: Harold Hudson - Former Pullman Power Products Quality Assurance Inspector, Quality Control Inspector, Quality Assurance Program Internal Auditor and Lead Auditor.

Date: 1-12-84

Subject: Report #3 - Quality Assurance Discrepancies Associated With Pullman Power Products Internal Audit #101 At The Diablo Canyon Nuclear Plant.

Pullman Power Products' Internal Audit #101, performed on 1-18-82, identified significant conditions adverse to quality which were not promptly corrected and resulted in corrective action which was not adequate.

1. Pullman Power Products' Internal Audit #101, Audit Action Request #1 findings have not had adequate corrective action implemented.
 - A. Five NDE Procedures were identified on I.A. #101 as not having evidence that the special processes were controlled and accomplished using qualified procedures or that qualification records were maintained to document and assure quality of material and work. There are no Procedure Qualification Records documenting Procedure Qualification Tests for these five NDE procedures. The five NDE procedures are:
 1. ESD 234 - UT Inspection Groove Welds AWS-D1.068, ASME Section VIII and Section V. Used to examine full penetration groove welds on Pipe Rupture Restraints prior to July 1979.
 2. ESD 241 - UT Examination of Safety Yoke Rods on 3707 RAX 6-21 Safety Valves.
 3. ESD 246 - Magnetic Particle Procedure/Dry/Continuous Coil - B31.7. Use unknown.
 4. ESD 247 - Magnetic Particle Procedure/Dry/Continuous Coil - B31.1. Used to examine crack repair welds on Feedwater Nozzles to Unit # 1 Steam Generators.
 5. ESD 270 - Liquid Penetrant Examination Procedure. Use unknown.

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Appendix J-1

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B. Two Ultrasonic Material Thickness Measuring Procedures were identified as not having evidence that the special processes were controlled and accomplished using qualified procedures or that qualification records were maintained to document and assure quality of material and work. There are no Procedure Qualification Records documenting Procedure Qualification Tests. These procedures are:

1. ESD 236 - UT Thickness Measurement of Boundary Valves.

See P.P.P. Unscheduled Internal Audit #34 and H. Hudson's Report #2 to NRC Commissioner V. Gilinsky, dated 1-2-84.

2. ESD 244 - UT Thickness Gauge Procedure. This procedure widely used by Pullman.

It was determined in I.A. #101 by Pullman QA/QC Manager H. Karner that these two ultrasonic procedures were not nondestructive testing procedures but were used to measure material thickness and therefore did not require "Procedure Qualification Records" (Procedure Qualification Tests). This was not a valid determination. All special processes, not just welding, heat treating and nondestructive testing, are to be controlled and accomplished using qualified procedures (Procedure Qualification Tests). The determination that ESD 236 and ESD 244 were not nondestructive testing procedures does not exclude the procedures from qualification requirements for special processes. It is alleged that QA/QC Manager H. Karner's determination that ESD 236 and ESD 244 did not require Procedure Qualification Records covers up a serious breach in the Quality Assurance requirements for special processes as required by 10CFR50 App. B IX and XVII and PG&E C.S. #8711 Section 4.3.23 and 4.3.29.

No corrective action has been initiated by P.P.P. concerning use of ESD 236 and ESD 244 without Procedure Qualification Records.

C. 1. ESD 234, ESD 246 and ESD 247 NDE Procedures had Procedure Qualification Tests performed as corrective action to I.A. #101, A.A.R. #1 (see attached PQR's). These PQR's are after the fact qualifications of these procedures. The actual use of these procedures were not controlled and accomplished using qualified procedures.

It should be noted that the PQR's for these procedures do not have approval signatures of either P.P.P. or PG&E Management authorities. The only signatures

on the PQR's is that of the individuals conducting the qualification tests. It is alleged that these PQR's have not been approved by the appropriate management authorities.

2. ESD 270 did not have a Procedure Qualification Test performed as part of the corrective action to I.A. #101, A.A.R. #1. QA/QC Manager H. Karner determined that ESD 270 used similar penetrant materials and examination methods as ESD 210 - Liquid Penetrant Procedure (ANSI - B31.7) and that ESD 210 had Procedure Qualification Records which demonstrated the ability to detect the specified discontinuities. QA/QC Manager H. Karner directed that ESD 270 be revised to incorporate the PQR's of ESD 210 as the corrective action to be taken, (see I.A. #101, A.A.R. #1 Corrective Action Taken). The use of ESD 210 PQR's does not provide a proven demonstration of ESD 270's ability to identify discontinuities. ESD 210 and ESD 270 must have some differences or there would be no need for two procedures. It is alleged that QA/QC Manager H. Karner's directive to use ESD 210 PQR's for ESD 270 does not provide proper or adequate corrective action to the Audit finding and that ESD 270's lack of proper PQR is still a condition adverse to quality.

No investigation was performed to determine where ESD 270 was used.

3. ESD 241 did not have a Procedure Qualification Test performed as corrective action to the Audit finding. A Procedure Qualification Record was suppose to be prepared per A.A.R. #1 Corrective Action Taken but this corrective action was never implemented and A.A.R. #1 was closed out and approved by the QA/QC Manager without the PQR being generated.

The bases for this action was a memo prepared by Internal Auditor J. Guyler, dated 1-13-83 (see attachment to A.A.R. #1) that stated: "There is a pending DR involving ESD 241. This is a special procedure created to supplement PG&E and manufacturers examinations. PPP has accomplished this per instructions from PG&E. It is evident that a nonconformance does not exist and a DR is not necessary. A written response indicating this will be considered basis for closing this portion of AAR". QA/QC Manager H. Karner indicated on AAR #1 that this memo by I.A. J. Guyler would be uses to close out that portion of AAR #1.

Internal Auditor J. Guyler's statement that "it is evident that a nondonformance does not exist and a DR is not necessary" is not a valid statement. It is alleged that I.A. J. Guyler and QA/QC Manager H. Karner have covered up serious breaches in the Quality Assurance Program and are in noncondormance to 10CFR50 App. B XVI and PG&E C.S. #8711 Section 4. 3.28 requirements that all conditions adverse to quality are to promptly identified, reported and corrected.

It should be noted that during a conference to formulated a revised response to AAR#1 on 9-14-82, attended by QA/QC Manager H. Karner, NDE Leadman P. Dawson and I.A. H. Hudson, it was agreed that a Discrepancy Report would be sent to PG&E identifying that there was no PQR for the procedure and that the UT examination of the Yoke Rods was performed prior to ESD 241 being issued by M.W. Kellogg (Pullman) and approved for implementation by PG&E (see attached Interoffice Correspondence of 9-15-82 to I.A. #101, AAR#1 File). QA/QC Manager H. Karner later reneged on this agreement when he approved I.A. J. Guyler's memo and approved the closing of AAR#1. QA/QC Manager H. Karner has covered up significant QA discrepancies in the use of ESD 241 by refusing to forward the proposed DR to PG&E.

The proposed Discrepancy Report, dated 11-3-82, prepared by H. Hudson, identified the following discrepancies (see proposed DR attached to I.A. # 101):

- A. ESD 241 did not have a PQR as required by C.S. #8711 Section 4.3.23 and 4.3.29.
- B. The UT examinations of the Yoke Rods were performed prior to ESD 241 being issued by M.W. Kellogg and approved by PG&E. The examinations were performed between 12-17-73 12-20-73. ESD 241 was issued on 12-26-73 and approved for construction by PG&E on 2-12-74.
- C. The PG&E Field Change Order directing M.W. Kellogg to perform the work required inspection per the Dresser Instruction and a PG&E Memo by J. Sale. The Sale Memo specified the part of the Dresser Instruction to be used was paragraph 12, "Bolts and

Studs (Greater than 2 inch Diameter Up to 4 inch Diameter)". Dresser #SP-52-166, paragraph 12.1 states "all bolts and studs shall be examined prior to threading". The yoke rods UT examined by M.W. Kellogg were threaded. The examination of these threaded yoke rods is a nonconformance to the requirements of the Dresser Instruction.

- D. The "Report of Ultrasonic Examination" used to document the description of equipment, procedure used, and the results of the examination was not a form referenced in ESD 241.18. It did not include certain required information.
1. It did not include the surface or surfaces from which the test shall be performed as required by ESD 241 and the Dresser Instruction.
 2. It did not include a description of the calibration block (size, material and basic calibration reflectors) and calibration method as required by ESD 241 and the Dresser Instruction.
 3. The equipment calibration frequencies reference on the "Report of Ultrasonic Examination" were not as required by ESD 241 and the Dresser Instruction. It should have been noted that ESD 241 and the Dresser Instruction procedure requirements for equipment for calibration frequency were for production runs and not for individual rod examination. The two procedures did not meet the needs of the type examination being performed.
- E. The "Ultrasonic Examination Report", Appendix A, Form F-66, referenced in ESD 241 was not used to record the required information of ESD 241.15.3.
- F. There were differences between ESD 241 and the Dresser Instruction concerning information used to determine the reference point for sensitivity and criteria used to report questionable items.
- G. PG&E Memo by J. Sale stated that "in addition to the UT inspection, a back up inspection should be performed with the dye penetrant technique to check the yoke rod ends for indications of cracking that might extend into the threaded area of the yoke ends".
1. The Ultrasonic Status Reports indicate that no dye penetrant inspections were performed.

2. ESD 241.17.1 did not stipulate the same requirement as the PG&E Memo. ESD 241.17.1 stated "Liquid Penetrant or Magentic Particle will be used on rods which are suspected of containing discontinuities which may extend into threaded areas or to support areas where UT tests indicate discontinuities with lengths in excess of 1" long".

No Corrective Action was taken on the audit findings for ESD 241. The proposed DR concerning ESD 241 QA discrepancies was not approved by the QA/QC Manager and was not forwarded to PG&E for disposition. This is a nonconformance to 10CFR50 App. B XVI and PG&E C.S. # 8711 Section 4.3.28 Corrective Action.

4. Only two of the seven procedures identified on I.A. # 101 not to have PQR's were identified to PG&E on Discrepancy Reports for their disposition. C.S. # 8711. Section 4.3.28 and C.S. # 8833XR Section 3.4.1210 require Contractor to assure that all conditions adverse to quality are promptly identified, reported, and corrected. P.P.P. did not report all the conditions adverse to quality identified in I.A. #101 to PG&E. This is a nonconformance to the C.S. requirements.
5. ESD 246 and ESD 247 were identified to PG&E on DR #4662 (see attached) as having no Procedure Qualification Records. DR #4662 identified that ESD 247 had been used to MT examine the inside diameter of Feedwater Nozzle welds to Steam Generators 1-land 1-4 during the repair of cracked welds. PG&E accepted as is all work examined by ESD 247. Because DR #4662 did not identify any locations where ESD 246 had be used no reference was made to accepting any work performed by ESD 246.

During the Internal Audit investigation into the use of ESD 246 and ESD 247 I was ordered by QA/QC Manager H. Karner to cease the investigation once it was known where ESD 247 had been used. I was not allowed to continue the Audit investigation to determine where ESD 246 was used. This resulted in DR #4662 having limited information concerning the discrepancies being reported.

There are two questionable Quality Assurance issues related to the use of ESD 247.

- A. ESD 247 specifies that it is a Magnetic Particle Procedure/Dry/Continuous Coil for B31.1 Code. C.S. #8711 Section 2.2.1 specifies that portions of the feedwater piping from the steam generators to the isolation valves are to be designed, fabricated, and erected per ASME Section I. The MT Examination Records attached to DR #4662 (see attached) indicate

the Acceptance Standards to be ASME Section I. This raises the question can a B31.1 Code MT procedure be used to examine ASME Section I piping and obtain results which are reliable.

- B. The MT Examination Records attached to DR# 4662 are dated 10-19-77 and 10-20-77 and the MT's were performed by D.R. Geske. The M.W. Kellogg (Pullman) Personnel Testing Record for D.R. Geske (see attached) indicated he was certified a Level II MT on 8-23-76 with a composite grade of 98%. But the Testing Record under Examination Grades in Percent does not record any scores for the General, Specific, Practical Examinations. It is not understood by this writer how a composite grade of 98% could be obtained when there are no recorded percentage scores for the General, Specific, and Practical Examination. Both the SNT-TC-1A and M.W. Kellogg ESD 235 (NDE Personnel Qualification and Certification Procedure) require General, Specific and Practical examinations to qualify for Level II MT. The Personnel Testing Record for D.R. Geske does not provide the necessary information to verify that Geske was properly qualified as a Level II MT Technician.

The NRC should investigate these issues to assure that there are no QA discrepancies associated with the use of ESD 247 and the examinations of the Feedwater Nozzles to Steam Generators.

ESD 246 and ESD 247 had Procedure Qualification Tests performed on 11-9-82. The Corrective Action Response to I.A. #101, AAR#1, by M. MacCrae (see attached) states "As both ESD 246 and ESD 247 have been withdrawn from use and the equipment listed in both procedures is no longer available for use, the equipment used for these PQR's was the Magnaflex Model P-90 for the coil technique only". The Procedure Qualification Test was performed using different equipment than specified in the original procedures. The Response does indicate that P-90 puts out less amperage than the equipment listed in ESD 246 and ESD 247 and that acceptable results were obtained. But a question is raised. Is it acceptable to qualify MT procedures after the fact using different equipment than listed in the procedures? This is an item of concern that the NRC should investigate.

6. The most important issue to raised by this report and ARR#1 findings is can NDE procedures be qualified after they have been used? 10CFR50App. B IX and PG&E C.S. # 8711.4.23 and C.S. #8833XR.3.4.128 require special processes to be controlled and accomplished using qualified procedures. The seven procedures identified in I.A. #101 were used without being qualified by Procedure Qualification test and are nonconformances to the above requirements.

This is a major breakdown in the PPP Quality Assurance Program. In my opinion, the use of unqualified procedures puts the work examined into a questionable status. The NRC should investigate this issue to assure that there are no conditions existing which would adversely affect quality and tend to cause failures or malfunctions in the work examined by these procedures.

2. The Internal Audit #101, AAR#1 findings were not promptly corrected as required by 10CFR50 App.B XVI and PG&E C.S. #8711.4.3.28 and C.S. #8833XR.3.4.1210 requirements. It is alleged that QA/QC Manager J. Karner deliberately procrastinated on these findings to avoid identifying these discrepancies to PG&E and Pullman Corporate Management and because he was unable to formulate a proper corrective action. It is alleged that Pullman Corporate Director of Quality Assurance, A. Eck, failed to expedite corrective action once he was made aware that the on-site QA/QC Manager was not providing a prompt response to AAR#1 finding.

Internal Audit #101 was performed on 1-18-82. AAR#1 findings were not formalized until 3-22-82 due to additional investigation requested by the QA/QC Manager. AAR#1 findings were acknowledged by QA/QC Manager H. Karner on 3-23-82. Corrective Action Taken response was due on 4-5-82 and was received and approved. Before the follow up audit to assure activities complied with approved corrective action, QA/QC Manager H. Karner requested AAR#1 back so that a revised response could be prepared due to additional findings being identified. The additional finding was that ESD 241 had been used. It had been decided under the original response that this procedure had never been used. AAR#1 would not be returned to my possession for a follow up audit until 3-22-83. Prompt corrective action was not implemented for the findings of AAR#1 as required by 10CFR 50 App. B XVI and PG&E C.S. #8711 and #8833XR.

I would spend the next year trying to get QA/QC Manager H. Karner to provide a revised corrective action response so that AAR#1 findings could be closed out. Following is a narrative of action taken by me to try to get a revised corrective action response from the QA/QC Manager.

- A. On 5-18-82 I send a PPP Message (see attached) to the QA/QC Manager requesting he provide an immediate revised response and return it to me.
- B. On numerous occasions I verbally request the QA/QC Manager for a revised corrective action response.

- C. On 6-14-82 an Interoffice Correspondence (see attached) was send to A. Eck, Corporate Director of Quality Assurance, stating that an AAR (NDE procedures without PQR's) directed to the QA/QC Manager, which per ESD 263 was to be responded to in 10 calendar days, was taking weeks for a response.
- D. On 7-6-82 an Unscheduled Internal Audit # 31 (see attached) was performed and addressed to A. Eck, Corporate Director of QA. The Unscheduled audit was performed to identify to Management personnel a deficiency in the implementation of corrective action to Internal Audit Reports. The Audit finding was that the QA/QC Manager was not promptly implementing corrective action to Internal Audit Report findings.
1. A response from A. Eck, dated 7-16-82 (see attached) did not address the issue of Corrective Action not being implemented in a timely manner. Instead, A. Eck reprimanded me for incorrect application of ESD 263. U.I.A. #31 was not responded to by the Director of QA.

It appeared that the Director of QA was more concerned with the so called improper application of ESD 263 (Internal Audit Procedure) than with getting corrective action implemented to an Internal Audit finding that NDE procedures did not have Procedure Qualification Records. It should be noted that A. Eck's reprimand directed me to assign resolution of no formal PQR's for NDE procedures to the responsible NDE Supervisor.

2. On 7-22-82, QA/QC Manager H. Karner conducted a meeting with me at which time A. Eck's reprimand was discussed and Mr. Karner laid out ground rules for future Internal Audits. It should be noted that no mention was made as to when a revised corrective action response would be forth coming. (see attached).
- E. On 7-28-82 I send an Interoffice Correspondence (see attached) to QA/QC Manager H. Karner asking what Corrective Action is being taken to resolve audit findings for AAR#1. Also I asked Mr. Karner if he wanted me to readdress AAR#1 to the NDE Supervisor per A. Eck's directions. Mr. Karner verbal response was no that he would provide a resolution to AAR#1 findings. At this time I recommended that the AAR#1 findings be identified in a Discrepancy Report to PG&E for review. In addition, I stated that subsequent investigation of ESD 236 - UT Thickness Measurement of Boundary Valves may be required to have a PQR.

- F. On 9-15-82 I prepared an Interoffice Correspondence to I.A. #101, AAR#1 File and to the QA/QC Manager documenting a conference held to formulate a revised response to AAR#1 (see attached). The following action was agreed on by the QA/QC Manager, NDE Supervisor and the Internal Auditor.
1. ESD 234 would have a Procedure Qualification Test performed.
 2. ESD 241 would be reported on a DR to PG&E identifying that there was no PQR and that the UT examinations were performed prior to ESD 241 being issued by Kellogg and approved by PG&E.
 3. ESD 246 and ESD 247 would have additional investigation performed before a decision as to corrective action would be made.
 4. ESD 270 would have incorporated into its procedure the PQR of ESD 210.
 5. ESD 236 would be withdrawn from use and again the QA/QC Manager stated he felt no PQR required.
- G. On 10-13-82 an Interoffice Correspondence (see attached) was sent to the QA/QC Manager requesting a "Revised Written Response to AAR#1, I.A. #101". It was stated in this IOC that PG&E C.S. #8711 and #8833XR required all conditions adverse to quality to be promptly corrected.
- H. On 11-3-82 a proposed Discrepancy Report concerning ESD 241 was prepared by me in compliance to the 9-14-82 conference to formulate a revised response to AAR#1. (see attached)
1. This proposed DR was reviewed by QA/QC Manager H. Karner and he wrote comments concerning the DR (see attached).
 2. The proposed DR was reviewed by M. MacCrae and he wrote comments concerning the DR (see attached)
 3. On 11-22-83 I send an Interoffice Correspondence to QA/QC Manager (see attached) responding to Karner's and MacCrae's comments of the proposed DR.
- It should be noted that subsequently QA/QC Manager H. Karner would refuse to submit the DR to PG&E identifying ESD 241 discrepancies.

- I. On 1-12-83 a PPP Message (see attached) was sent to QA/QC Manager H. Karner requesting he provide revised corrective action to AAR#1. At this time the QA/QC Manager was informed he was in nonconformance to 10CFR50 App. B XVI and PG&E C.S. #8711 Section 4.3.28 and #8833XR Section 3.4.1210.
- J. On 1-21-83 and Interoffice Correspondence (see attached) was sent to the QA/QC Manager indicating that Corporate Audit #7177-1-83, AAR#10 had identified that the required number of Internal Audits for 1982 had not been closed out and that a revised corrective action response was needed for AAR#1.

It should be noted that QA/QC Manager H. Karner did not provide any responses to any of the many correspondences requesting a revised corrective action. It is alleged that QA/QC Manager H. Karner deliberately procrastinated in providing a revised corrective action to AAR#1 to avoid identifying these discrepancies to PG&E and Pullman Corporate Management and because he was unable to formulate a proper corrective action. It is alleged that QA/QC Manager H. Karner deliberately violated 10CFR50 App. B XVI and PG&E C.S. #8711 Section 4.3.28 and #8833XR Section 3.4.1210 requirements that conditions adverse to quality be promptly identified, reported and corrected. It is alleged that Pullman Corporate Director of Quality Assurance, A. Eck, failed to expedite corrective action once he was made aware that the onsite QA/QC Manager was not providing a prompt response to AAR#1 findings.

3. On 1-28-83 QA/QC Manager H. Karner and myself had a violent verbal confrontation concerning AAR#1 and another issue.

During review of Rupture Restraint Documentation for investigation of Unscheduled Internal Audit # 35 I identified three full penetration welds that had NDE by MT instead of the C.S. required UT process. While preparing to report these discrepancies, Mr. Karner confronted me at my desk and wanted to know what I was doing. I informed him that I had identified Rupture Restraint NDE discrepancies. Mr. Karner then asked me if I had been directed by him to identify these problems. I stated that he had not directed me to identify the problems. Mr. Karner at this point began to scream and shout at me that I was no longer the Internal Auditor (I had been replaced but given permission to conclude two audits in progress, one of which was U.I.A. #35) and that I was only to do what he told me. In effect, Karner was telling me that I as a QA/QC Inspector could no longer identify discrepant conditions unless specifically order to do so by him. Mr. Karner screamed at me that if I did this again he would get rid of me.

Karner then accused me of going to unscheduled audits to get around his approval of the audit checklist. He accused me of being adverse to quality. At this point I screamed at him that he had been sitting on AAR#1 of I.A. #101 for a year and that he was violating 10CFR50 App. B XVI and two PG&E Contract requirements by not promptly correcting problems adverse to quality. QA/QC Manager Karner at this point stated that it was OK for him to violate the Code and Contracts. He repeated this statement twice. Mr. Karner also stated that one of the reasons why I didn't have all the required 1982 audits done was because I investigated items not on a checklist or irrelevant. I responded to this by saying one reason was that he had been sitting on an audit (AAR#1, I.A. #101) for a year.

I should point out that this time we were toe to toe, face to face, screaming at each other.

Mr. Karner again repeated that I was only to do what he told me to do which I interpreted to mean that I could not identify Quality Assurance discrepancies unless specifically ordered to do so.

This confrontation was witnessed by numerous persons in the QA/QC Office.

This confrontation produced two significant conditions adverse to quality.

1. As a QA/QC Inspector I was ordered by the QA/QC Manager not to identify QA discrepancies unless specifically ordered to do so by the QA/QC Manager. If I did I would be gotten rid of. This was an attempt to intimidate me from identifying discrepant conditions. This violates 10CFR50 App. B I requirement that persons performing quality assurance functions shall have sufficient authority and organization freedom to identify quality problems.
2. The QA/QC Manager stated he did not have to comply with 10CFR50 App. B and C.S. requirements to promptly correct conditions adverse to quality. This is a base violation of Quality Assurance requirements. QA/QC Manager H. Karner has demonstrated this disregard for this QA requirement in his lack of corrective action for I.A. #101, AAR#1 audit findings, in a timely manner.

Internal Audit #101 identified significant Quality Assurance discrepancies in the qualification of NDE and UT thickness measuring procedures. Subsequently, significant QA discrepancies took place in the implementing of corrective action to the audit findings. The issues identified in this report and I.A. # 101 should be investigated by the NEC to assure that quality assurance has not been compromised at the Diablo Canyon Nuclear Plant.

Harold O. Hudson