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163 MAR 20 PM 12:00

Request No. NMSS -86-01

(Region-year-No.)

TO: Ben B. Hayes, Director  
Office of Investigations

FROM: Victor Stello, Jr.  
Acting Executive Director  
for Operations

OI# 4-86-005

REQUEST FOR INVESTIGATION

Sequoyah Fuels Corp.  
Licensed Vendor/Applicant

40-8027  
Docket No.

Sequoyah, Corp. Oklahoma  
Facility or Site Location

John G. Davis, Director, NMSS  
Regional Administrator/Office  
Director

March 17, 1986  
Date

A. Request

What is the matter that is being requested for investigation (be as specific as possible regarding the underlying incident). Determine whether licensee management made a material false statement in denying management knowledge of any practice of reheating overfilled UFG cylinders at the Sequoyah facility. In interviews, licensee personnel said that overfilling of cylinders in excess of 500 pounds had occurred. The weigh records which were examined by the Augmented Investigation Team from Region IV (apparently all records were not examined) did not show weights recorded which were in excess of 500 pounds. This may imply falsification of records.

1. What wrongdoing is suspected; explain the basis for this view (be as specific as possible).

Licensee management, in a written statement to NRC and in interviews, stated that management personnel had no knowledge that any practice of reheating overfilled UFG cylinders was ever followed at the Sequoyah facility. An operator and a supervisor stated in interviews that reheating of overfilled cylinders is a practice that has been followed on occasion at the facility.

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PDR ADDCK 04008027  
B PDR

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4-86-005

EXHIBIT 6

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2. What are the potential regulatory requirements that may have been violated?

42 U.S.C. 2236(a) - Material False Statement

3. If no violation is suspected, what is the specific regulatory concern?

N/A

4. If allegations are involved, is there a view that the allegation occurred? likely occurred \_\_\_\_\_, not sure \_\_\_\_\_. If likely, explain the basis for that view.

N/A

C. Requester's Priority

1. Is the priority of the investigation high, normal, or low? High
2. What is the estimated date when the results of the investigation are needed? March 13, 1986, or as soon as possible.

3. What is the basis for the date and the impact of not meeting this date? (For example, is there an immediate safety issue that must be addressed or are the results necessary to resolve any ongoing regulatory issue and if so, what actions are dependent on the outcome of the investigation?)

If the concerns about the possible falsity of management statements to NRC are not resolved promptly, NRC will have significant concerns about the ability of the licensee to operate the plant safely and to report factually on its operation. The results of the investigation could also have a substantial influence on the determination of any possible enforcement action.

In addition, determining whether licensee statements to the NRC may be false could be of crucial importance to the accuracy of NRC's ongoing evaluation of the event at the licensee's facility and the information the agency is making to Congress and the public.

D. Contact

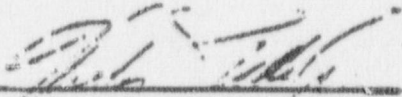
1. Staff members: John G. Davis, Director, NMSS  
Donald B. Mausshardt, Deputy Director, NMSS
2. Allegers identification with address and telephone number if not confidential. (Indicate if any confidential sources are involved and who may be contacted for the identifying details.)

N/A

F. Other Relevant Information

Enclosure: List of information provided to OI on March 7, 1986

Signature

  
Victor Stello, Jr.  
Acting Executive Director  
for Operations

cc: OI (S. Hayes) \*/  
EDO (XXXXXXXXXX)(V.Stello)  
NRR/NMSS as appropriate (Gordon/Davis) \*/. \*\*/  
IE (Taylor) \*/. \*\*/  
OELD (Cunningham)  
Regional Administrator \*/. \*\*/(R.D. Martin, RIV)

\*/ If generated by region.  
\*\*/ If generated by IE.  
\*\*\*/ If generated by NRR/NMSS



March 7, 1986

Index of material sent to Ben Hayes (OI) by courier - Friday, March 7, 1986 (3 packages)

Distribution list of AIY Report to Congress and Licensee in State of Oklahoma.

Korn/McCoo January 29, 1986 letter to Mr. Eugene F. Bates.

List of Potential Interviewees

Proffo Suggested Changes to the Report --Highlighted

January 28, 1986 memo to Kammerer from Stello re Distribution to Congress.

10770 1170 Advance Copy of Rupture of Model 48Y UF<sub>6</sub> Cylinder and Release of Uranium hexafluoride.

Question 11 from Markey/Synar questions.

Company Reports of Incident and Press Releases.

Transcript of Interviews of selected individuals.