



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-8064

July 10, 1998

IA 98-014

Mr. Alan K. McCarter  
[HOME ADDRESS DELETED  
PURSUANT TO 10 CFR 2.790]

SUBJECT: NOTICE OF VIOLATION  
(NRC Investigation Report Nos. 4-97-022S and 4-1998-014)

Dear Mr. McCarter:

This refers to the above-cited investigations conducted by the NRC's Office of Investigations (OI) involving the apparent falsification of a surveillance test record at the Palo Verde Nuclear Generating Station, and to our letter to you dated March 20, 1998. Our letter identified an apparent violation related to your involvement in the potential record falsification. Specifically, the incident involved you, a licensed operator at the time, and other licensed individuals of the control room operations staff, apparently falsifying a surveillance test record on March 10, 1993, by indicating that a surveillance had been conducted within the required one hour time period, when in fact it had been conducted several hours later. Our March 20 letter informed you that, based on the information you provided to OI, we believe we understand your involvement in and your perspective of the circumstances of the incident and the significance of the issues. As a result, we did not believe it necessary to conduct a predecisional enforcement conference with you in order to enable the NRC to make an enforcement decision. However, before making an enforcement decision, the NRC provided you with an opportunity to either respond to the apparent violation in writing or request a predecisional enforcement conference. You neither responded in writing nor requested a conference; therefore, the NRC is making its decision based on the available information.

On March 31, 1998, the NRC conducted a closed, transcribed predecisional enforcement conference held with Arizona Public Service (APS) Company, your employer, in order to discuss this incident. Information obtained during the conference confirmed the circumstances surrounding the incident. Specifically, as a result of its evaluation of this information, the NRC has concluded that you and other licensed members of the control room staff decided to record an incorrect time for a surveillance test such that the records indicated the surveillance had been performed within the required one-hour timeframe when, in fact, the surveillance had been performed several hours later. During the conference, APS also informed the NRC of the actions APS had taken against you and the other members of the control room crew as a result of this incident. The actions against you included having your operating license terminated, a one week suspension without pay, quarterly performance reviews, and other requirements with which you must comply.

The NRC considers your actions a serious breach of the trust and integrity expected of licensed personnel in the nuclear industry. Further, your actions caused the facility licensee to be in violation of NRC requirements for which the NRC has taken escalated enforcement action (see

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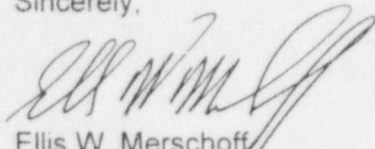
enclosed Notice of Violation and Proposed Imposition of Civil Penalty to APS). After reviewing all the circumstances of this case, including the action already taken against you by your employer, the fact that the incident occurred over five years ago, and your cooperation during the NRC's investigation, the NRC has limited its action to issuance of the enclosed Notice of Violation (Notice) to you. The violation has been categorized at Severity Level IV in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," NUREG-1600. You should be aware, however, that the NRC will consider imposing stronger sanctions should you engage in misconduct involving NRC-licensed activities in the future.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

Further, you should be aware that should you apply for a Part 55 license in the future, you will be required to address the issue of trustworthiness in accordance with 10 CFR 55.31(b).

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of the correspondence related to this enforcement action will be placed in the Public Document Room (PDR) under your employer's docket number as well as the docket number assigned to your license under the provisions of 10 CFR Part 55. This includes the NRC's letter to you dated March 20, 1998, and this letter with its enclosure. As indicated below, we are providing a copy of this letter to Arizona Public Service and to your attorney.

Sincerely,



Ellis W. Merschoff  
Regional Administrator

Docket Nos. 50-528, 50-529, 50-530, 55-50192  
License Nos. NPF-41, NPF-51, NPF-74, OP-50210-2

Enclosures:

1. Notice of Violation
2. Letter dated July 10, 1998 to James M. Levine

cc w/Enclosure 1 only:  
James M. Levine, Senior Vice  
President, Nuclear  
Arizona Public Service Company  
P.O. Box 53999  
Phoenix, Arizona 85072-3999

Mr. Donald P. Irwin, Esq.  
Hunton & Williams  
951 East Byrd Street  
Richmond, Virginia 23219



Mr. Alan K. McCarter -- IA 98-014

bcc (w/Encl 1 only):

PDR

LPDR

SECY

CA

EDO (O-17G21)

DEDO (O-17G21)

OE:EAFile (O-7H5)

CHANDLER, OGC (O-15B18)

NRR (O-12G18)

NRR PROJECT MANAGER

AEOD (T-4D18)

RA Reading File

RIV Files

PAO-Henderson

LWilliamson, OI

NUDOCS

EC's: RI, RII, RIII

PA (O-2G4)

OIG (T-5D28)

LIEBERMAN, OE (O-7H5)

OI (O-3E4)

GOLDBERG, OGC (O-15B18)

BOGER, NRR/ADP (O-12G18)

OC/DAF (T-9E10)

RWise

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DOCUMENT NAME: G:\EA\FINAL\IA98014.FNL

G:\ACASES\IA98014.FNL (when issued)

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SRothstein	MSatorius	MFields <del>SA</del>	JGoldberg <del>per SA</del>	EMerschoff <del>SA</del>	JLieberman
07/ /98	07/ /98	07/24/98	08/18/98	08/30/98	07/ /98

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