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OI INVESTIGATION INFORMATION

Title: Interview of Joseph Shea

Docket Number: 2-2018-033

Location: Chattanooga, Tennessee

Date: Thursday, March 28, 2019

Work Order No.: NRC-0280

Pages 1-124

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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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OFFICE OF INVESTIGATIONS

INTERVIEW

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IN THE MATTER OF: :

INTERVIEW OF : OI Case No.

JOSEPH SHEA : 2-2018-033

(CLOSED) :

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Thursday,

March 28, 2019

TVA Corporate Office

Chattanooga, Tennessee

The above-entitled interview was conducted
at 1:00 p.m.

BEFORE:

Senior Special Agent SCOTT LUINA

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APPEARANCES:

On Behalf of TVA, the Interviewee, and Other
Individuals Involved in this Investigation:

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P-R-O-C-E-E-D-I-N-G-S

(1:00 p.m.)

SR. SPECIAL AGENT LUINA: All right.

Today's date is March 28, 2019. The time is now 1:00 p.m. This interview is being conducted with Joseph William Shea, S-H-E-A, who is currently employed by the Tennessee Valley Authority, TVA, as the Vice President of Regulatory Affairs and Support Services.

The location of today's interview is also at the TVA offices located in Chattanooga, Tennessee. As I explained to you, Mr. Shea, I am Special Agent Scott Luina, L-U-I-N-A, with the Nuclear Regulatory Commission's Office of Investigations, Region II Field Office out of Atlanta, Georgia.

Also present at your request, Mr. Christopher Chandler, C-H-A-N-D-L-E-R, who is with the TVA's Office of General Counsel. And I will go over some questions about his presence here today, but before I do that I am going to remind you this interview is being recorded and it will be transcribed at a later date.

I need to ask you, sir, are you recording or transmitting this interview right now?

MR. SHEA: I am not.

SR. SPECIAL AGENT LUINA: Mr. Chandler,

1 same question, are you?

2 MR. CHANDLER: No, I am not.

3 SR. SPECIAL AGENT LUINA: All right.
4 Thank you, sir. Also, as I explained to you prior to
5 going on the record this interview will be conducted
6 under oath.

7 Do you have any objections to providing
8 information under oath today?

9 MR. SHEA: I do not.

10 SR. SPECIAL AGENT LUINA: All right. If
11 you would please raise your right hand with me. Mr.
12 Shea, do you swear that the testimony that you are
13 about to provide today will be the truth, the whole
14 truth, and nothing but the truth so help you God?

15 MR. SHEA: I do.

16 SR. SPECIAL AGENT LUINA: All right.
17 Thank you, sir. I appreciate you doing that. I got
18 some questions that I need to ask you that we ask
19 everyone that requests corporate counsel be present
20 during an interview that also represents the company
21 or other individuals involved in this matter, so we
22 want to make sure you understand all that.

23 So I need to ask you is Mr. Chandler
24 representing you personally in regard to this
25 investigation?

1 MR. SHEA: He is.

2 SR. SPECIAL AGENT LUINA: Do you
3 understand the purpose of his presence here today?

4 MR. SHEA: I do.

5 SR. SPECIAL AGENT LUINA: Do you
6 understand that Mr. Chandler also represents the
7 company and potentially other individuals involved in
8 this matter?

9 MR. SHEA: I do.

10 SR. SPECIAL AGENT LUINA: Does your
11 employer require you to have an attorney present when
12 you are interviewed by the NRC's Office of
13 Investigations?

14 MR. SHEA: They don't.

15 SR. SPECIAL AGENT LUINA: Were you in any
16 way threatened with an adverse action if you did not
17 request corporate counsel today?

18 MR. SHEA: I was not.

19 SR. SPECIAL AGENT LUINA: Do you
20 understand that you can have a private interview with
21 me at your convenience?

22 MR. SHEA: I do.

23 SR. SPECIAL AGENT LUINA: With that
24 understanding do you still want Mr. Chandler present
25 as your representative today?

1 MR. SHEA: I do.

2 SR. SPECIAL AGENT LUINA: Were you offered
3 the choice of other representation who did not have
4 the additional role as a representative of TVA, for
5 example, were you told that you could go get your own
6 attorney if you wanted to, I guess?

7 MR. SHEA: I was.

8 SR. SPECIAL AGENT LUINA: All right. Yes,
9 it's always an option I guess.

10 MR. SHEA: Okay.

11 SR. SPECIAL AGENT LUINA: You can get
12 private counsel. Do you feel you would suffer any
13 adverse consequences from your employer if you would
14 not have elected to have representation here today?

15 MR. SHEA: I don't, or did not.

16 SR. SPECIAL AGENT LUINA: Okay. Will your
17 testimony in this matter be inhibited in any way by
18 Mr. Chandler's presence?

19 MR. SHEA: It won't.

20 SR. SPECIAL AGENT LUINA: With the
21 knowledge that Mr. Chandler represents you and your
22 employer concurrently in this matter if you had
23 knowledge of information which you believed to be
24 adverse to your employer would you still feel free to
25 provide such information in your testimony here today?

1 MR. SHEA: I would.

2 SR. SPECIAL AGENT LUINA: Okay, good. Mr.
3 Chandler, if you could, please, explain for the record
4 who you are employed by and your purposes for being at
5 today's interview.

6 MR. CHANDLER: Sure. My name is
7 Christopher Chandler. I am the Associate General
8 Counsel for nuclear in TVA's Office of the General
9 Counsel. I represent TVA in this matter and Mr. Shea
10 in his capacity as a TVA employee.

11 SR. SPECIAL AGENT LUINA: Okay. And do
12 you see any type of conflict that you were aware of
13 during that, doing that multiple representation?

14 MR. CHANDLER: I do not.

15 SR. SPECIAL AGENT LUINA: Okay, good. Any
16 questions about that, Mr. Shea?

17 MR. SHEA: None.

18 SR. SPECIAL AGENT LUINA: Okay. And I
19 have provided you my business card, correct?

20 MR. SHEA: You did.

21 SR. SPECIAL AGENT LUINA: Okay. And you
22 understand that this decision to have counsel present
23 doesn't preclude you from in the future reaching out
24 to me or anyone in the NRC about this matter or
25 anything that the NRC regulates or investigates, do

1 you understand?

2 MR. SHEA: I do.

3 SR. SPECIAL AGENT LUINA: And you can
4 either -- or through Mr. Chandler, however you are
5 comfortable contacting the NRC you can do that, okay,
6 but please keep my card. I always have to make sure
7 I give that to everyone.

8 Okay. All right, Mr. Shea, if you could
9 kind of explain for me your background and your
10 experience in the nuclear industry it would be
11 fantastic.

12 If you don't mind just give me a quick,
13 little run down, not super long. I know it's long,
14 but --

15 MR. SHEA: Very good. I graduated from
16 school in 1985 or so. I spent a little over five
17 years in the U.S. Navy in a nuclear and non-nuclear
18 capacity.

19 I joined the NRC in 1991, Nuclear
20 Regulatory Commission. I served for 19 years with the
21 NRC in a variety of capacities, including licensing
22 project manager and ultimately as a senior executive
23 in both the Office of Nuclear Security and Incident
24 Response and ultimately in the Region II Office in
25 Atlanta in various capacities there.

1 I joined the Tennessee Valley Authority in
2 2010 and served for a little over a year as a manager
3 in the Corporate Licensing Organization and in
4 November, October 2011 became acting in a Vice
5 President role and formally nominated to that role in
6 about June of 2012, then the Vice President of
7 Licensing, and then about a year and a half ago that
8 job expanded to the current Vice President of
9 Regulatory Affairs and Support Services within my
10 current position.

11 SR. SPECIAL AGENT LUINA: VP of Regulatory
12 Affairs and Support Services?

13 MR. SHEA: Yes, sir.

14 SR. SPECIAL AGENT LUINA: Okay. In that
15 role who do you report directly to, who is your direct
16 supervisor?

17 MR. SHEA: I report to the Senior Vice
18 President of Engineering and --

19 SR. SPECIAL AGENT LUINA: Who is that
20 currently again?

21 MR. SHEA: -- Support Services.

22 SR. SPECIAL AGENT LUINA: Oh.

23 MR. SHEA: It is currently David Czufin.
24 On the org chart we're having some temporary shuffles,
25 so for the past week or so I have reported to Steve

1 Douglas who is in some manner acting in that capacity.

2 SR. SPECIAL AGENT LUINA: Okay. And
3 that's C-Z-U-F-I-N for David?

4 MR. SHEA: Correct.

5 SR. SPECIAL AGENT LUINA: Okay, all right.
6 Thank you. All right. And in your current role do
7 you have any direct reports, somebody that reports
8 directly to you?

9 MR. SHEA: I do.

10 SR. SPECIAL AGENT LUINA: And what
11 positions and individuals?

12 MR. SHEA: I have four direct reports.
13 The first one is Chris Glover (phonetic). He is the
14 Director of Nuclear Security.

15 SR. SPECIAL AGENT LUINA: Okay.

16 MR. SHEA: I have Walt Lee (phonetic). He
17 is the Director of Emergency Preparedness. I have Dan
18 Stout (phonetic). I don't 100 percent know his title.
19 He is the Director of Small Modular Reactors and
20 Nuclear Innovation.

21 SR. SPECIAL AGENT LUINA: Okay.

22 MR. SHEA: And I have Erin Henderson
23 (phonetic). She is the Director of Regulatory
24 Affairs.

25 SR. SPECIAL AGENT LUINA: Okay. And

1 that's E-R-I-N, right?

2 MR. SHEA: That's correct.

3 SR. SPECIAL AGENT LUINA: Director of Reg
4 Affairs, okay. And in the 2015 timeframe, 2015 to
5 2018 your title was VP of Reg Affairs?

6 MR. SHEA: In 2015 it was Vice President
7 of Licensing, Nuclear Licensing.

8 SR. SPECIAL AGENT LUINA: Licensing, okay.

9 MR. SHEA: And it changed to the current
10 title I believe around August of 2017.

11 SR. SPECIAL AGENT LUINA: August of 2017
12 to the current title?

13 MR. SHEA: Yes.

14 SR. SPECIAL AGENT LUINA: To the VP of Reg
15 Affairs, okay. All right. So, you know, as we talked
16 about, you know, prior to going on the record we are
17 here to talk about an allegation that we have received
18 from a former TVA employee, Mr. Michael McBrearty.

19 When McBrearty was employed out here did
20 he work directly for you, was he your direct report?

21 MR. SHEA: For a period of time, yes.

22 SR. SPECIAL AGENT LUINA: Okay. That's
23 right, he came to Corporate Nuclear Licensing for a
24 little bit, right?

25 MR. SHEA: He came to the Corporate

1 Nuclear Office in approximately July of 2014.

2 SR. SPECIAL AGENT LUINA: July 2014
3 (inaudible). And then to Sequoyah?

4 MR. SHEA: Then he transferred back to
5 Sequoyah in approximately July, approximately, of
6 2015. And that's approximate, plus or minus a couple
7 months, a month.

8 SR. SPECIAL AGENT LUINA: Yes, that's
9 fine.

10 MR. SHEA: And to my recollection he
11 transferred back there as the manager of emergency
12 preparedness.

13 SR. SPECIAL AGENT LUINA: Yes.

14 MR. SHEA: And shortly after that returned
15 to his former role as the manager of licensing at
16 Sequoyah. Prior to his joining the Corporate Office
17 in 2015 he had been the manager of licensing at
18 Sequoyah.

19 SR. SPECIAL AGENT LUINA: Okay. And the
20 site licensing managers now do they fall in on the org
21 chart under your office at all, how does that work?
22 Explain that to me, I guess.

23 MR. SHEA: Their structure is that they
24 are direct reports to the site director of plant
25 support.

1 SR. SPECIAL AGENT LUINA: Okay.

2 MR. SHEA: And we have -- TVA operates its
3 nuclear fleet under a nuclear operating model that
4 adopts elements of what are called the governance,
5 oversight, execution, and support model.

6 And in that model the corporate office as
7 a counterpart that provides governance and oversight
8 for a function, in this case Regulatory Affairs or
9 Licensing, and there is a senior corporate individual
10 for that functional area for many different functions
11 and there is a relationship between the corporate
12 office and in this case the site licensing managers.

13 SR. SPECIAL AGENT LUINA: Okay.

14 MR. SHEA: That is sometimes called the
15 dotted line, but more properly (inaudible) model, it's
16 a peer team relationship.

17 SR. SPECIAL AGENT LUINA: Peer team
18 (inaudible)?

19 MR. SHEA: That's right.

20 SR. SPECIAL AGENT LUINA: Okay. Okay,
21 now, yes, Mr. McBrearty my understanding worked out
22 here from approximately, yes, 2012 or '13 timeframe
23 until 2018.

24 During that time period, I know it's like
25 five years we're talking about, just I'll let you just

1 kind of explain to me in general terms what kind of
2 employee he was and what your interaction was with
3 him, meaning, you know, did you have daily, weekly,
4 monthly interaction with him, and how would you
5 describe him as a TVA employee, his performance,
6 behavior, all that kind of stuff in general terms and
7 then I'll ask you some specific questions about it?

8 MR. SHEA: Yes, very good.

9 SR. SPECIAL AGENT LUINA: Okay.

10 MR. SHEA: So I'll go back to prior to
11 Mike's joining the company.

12 SR. SPECIAL AGENT LUINA: Mm-hmm.

13 MR. SHEA: Actually prior to my joining
14 the company, I will be efficient with the
15 conversation.

16 Prior to my joining the company TVA under
17 a previous chief nuclear officer had adopted that GOES
18 model I refer to, the governance, oversight,
19 execution, and support model, to my recollection in
20 approximately 2009.

21 SR. SPECIAL AGENT LUINA: Mm-hmm.

22 MR. SHEA: And in the spring of 2009 my
23 predecessor was brought on board as the previous Vice
24 President of Licensing and one of his actions early on
25 his tenure was to overhaul and turn over much of the

1 existing regulatory staff, certainly in the
2 Chattanooga office and in a number of cases out at the
3 sites.

4 SR. SPECIAL AGENT LUINA: Okay.

5 MR. SHEA: Such that when I got here in
6 2010, in August of 2010, there were three managers in
7 the corporate office, one affiliated with each site,
8 each reporting to that vice president.

9 And we were all new to TVA so there was a
10 complete turnover of the corporate regulatory manager
11 and leadership ranks between 2009 and 2010.

12 SR. SPECIAL AGENT LUINA: Okay.

13 MR. SHEA: It's contextual, but in late
14 2010 TVA's Browns Ferry plant encountered a
15 significant regulatory challenge involving their
16 Browns Ferry plant.

17 They were elevated into a highest
18 operating level of regulatory oversight, Column 4 it's
19 referred to, and that was transpiring between late
20 2010 and the first half of 2011.

21 That is a very significant impact on the
22 company from the regulatory expertise required to
23 navigate that.

24 SR. SPECIAL AGENT LUINA: Okay.

25 MR. SHEA: And so that's background. In

1 October of 2011, at a point I had been on board about
2 13 or 14 months, my predecessor left the company
3 shortly, on short notice, and at the same time so did
4 the other managers he had hired, other than me.

5 SR. SPECIAL AGENT LUINA: Okay.

6 MR. SHEA: So at that point I was the only
7 manager of any regulatory, in any licensing matters in
8 the corporate office.

9 So my immediate task was to help the
10 company develop a strategy to address Browns Ferry's
11 significant regulatory problems and to rebuild once
12 again the corporate regulatory talent, that strength,
13 in the corporate office.

14 So I made several hires. One was a
15 significant -- I hired a talent to help Browns Ferry
16 directly and to help rebuild the corporate managing
17 staff and licensing.

18 I brought the then existing manager of
19 licensing at Sequoyah into the corporate office, a
20 gentleman named Jeff Cook (phonetic), and we went
21 about the business of rebuilding the corporate staff
22 but then turned to helping Sequoyah fill its site
23 licensing manager position.

24 That would be a role of the corporate
25 office in any functional areas to help the sites makes

1 sure they've got the right talent at the sites. So I
2 had some significant back and forth with the then vice
3 president of Sequoyah to try to find someone of the
4 right standard to bring to the site licensing manager
5 at Sequoyah and there were several mishits, attempts.

6 And finally I spoke to Mr. Cook and I
7 asked him to, you know, who did he know in the
8 industry and he acknowledged that he was aware of Mr.
9 McBrearty.

10 They had been coworkers out at their
11 previous utility out in California, SONGS.

12 SR. SPECIAL AGENT LUINA: California.

13 MR. SHEA: So in the course of recruiting
14 that's when TVA recruited, to use that word, Mr.
15 McBrearty. He was brought in for an interview. I did
16 not interview him, the site leadership team did, and
17 they thought he was a good fit.

18 I had had some very brief personal
19 knowledge of Mr. McBrearty from back at a time when he
20 served at the NRC in, well, my recollection, in the
21 early 90s. He may have served with them before that.

22 So I had some, a brief knowledge point of
23 my own coupled with what I was hearing from the
24 interview by the site team. It sounded like a very
25 good fit.

1 SR. SPECIAL AGENT LUINA: Okay.

2 MR. SHEA: And so he was hired by Sequoyah
3 in that capacity.

4 SR. SPECIAL AGENT LUINA: Okay.

5 MR. SHEA: So in that capacity he served
6 quite capably in managing their regulatory affairs,
7 which were, compared to our other two sites, Browns
8 Ferry and Watts Bar, Sequoyah was relatively not
9 difficult, but he was diligent --

10 SR. SPECIAL AGENT LUINA: Yes, okay.

11 MR. SHEA: -- and did a sound job and was
12 viewed by me and others in the leadership team here as
13 a solid performer.

14 SR. SPECIAL AGENT LUINA: Okay.

15 MR. SHEA: Yes.

16 SR. SPECIAL AGENT LUINA: All right. And
17 then what I want to talk about if you could is the
18 NCVs, the non-cited violations, that were received in
19 2015 at Sequoyah.

20 MR. SHEA: And I am prepared to talk about
21 those.

22 SR. SPECIAL AGENT LUINA: Yes.

23 MR. SHEA: Is it -- There is a bit of time
24 between then and before we get to those in which time
25 --

1 SR. SPECIAL AGENT LUINA: Is it relevant
2 though to the matter at hand or -- Do you feel it is?
3 I mean if there is --

4 MR. SHEA: I do.

5 SR. SPECIAL AGENT LUINA: Okay. All
6 right.

7 MR. SHEA: So in 2014 we had, by 2014 we
8 had worked our way through the challenges at Browns
9 Ferry largely and the individual I had sent down to
10 Browns Ferry to help out with that activity returned
11 here to the corporate office and was, my recollection,
12 the senior manager of regulatory affairs.

13 While he was very talented, many of his
14 style and approaches to interacting with folks were
15 not a good fit for the company so I had some
16 discussions with senior leadership here about seeing
17 if there was another opportunity to bring someone else
18 into the corporate office to be the senior manager of
19 regulatory affairs.

20 SR. SPECIAL AGENT LUINA: And who was
21 this, this is somebody else you are talking about?

22 MR. SHEA: It is someone else, yes.

23 SR. SPECIAL AGENT LUINA: Who is that?

24 MR. SHEA: So that was, his name was Gene
25 Cobbe (phonetic).

1 SR. SPECIAL AGENT LUINA: Okay.

2 MR. SHEA: And so in that context I talked
3 to the site vice president at Sequoyah and we had a
4 position, the organization was still in a lot of flux
5 in terms of the types of positions and the numbers of
6 positions, so we created a senior manager of fleet
7 regulatory operations, approximately that title, and
8 offered that job to Mike.

9 SR. SPECIAL AGENT LUINA: To Mike, okay.

10 MR. SHEA: So that was the bringing of
11 Mike into the corporate office. And the view was that
12 as a capable site licensing manager it would be
13 valuable if he were brought in and developed in the
14 corporate role, because there is a complimentary to
15 the corporate roles.

16 SR. SPECIAL AGENT LUINA: Okay.

17 MR. SHEA: And he came in and did that
18 job. So he was a direct report to me.

19 SR. SPECIAL AGENT LUINA: From that time.

20 MR. SHEA: From the period of July, for
21 about a year, July of 2014 to July 2015. In that role
22 he was a, continued to be solid in regulatory matters,
23 and TVA struggled to find good corporate players to
24 develop the synergy between the sites.

25 Mike did a fine job. Good enough that as

1 we were looking through our succession planning and
2 talent process we identified that over the long haul
3 Mike might be a good fit not only in regulatory but he
4 might be a potential candidate for the emergency
5 preparedness corporate director role.

6 SR. SPECIAL AGENT LUINA: Okay.

7 MR. SHEA: So the action at that point in
8 time was to help Mike develop to be better prepared
9 for an EP role by having him return to the site and
10 get site EP, emergency preparedness, experience.

11 So that was viewed as a move that was in
12 recognition that Mike had capability going forward.
13 So when he returned to the site then I had senior
14 manager of regulatory fleet operations, fleet
15 regulatory operations that was open, the other senior
16 manager left in August of 2015 so I had a single spot
17 that I was recruiting for.

18 I recruited for that, interviewed four
19 individuals, of which Erin Henderson was one of those,
20 and she was the best candidate at that time and I
21 hired her on the spot.

22 SR. SPECIAL AGENT LUINA: Mm-hmm.

23 MR. SHEA: She had been -- When I brought
24 her in she had succeeded McBrearty at Sequoyah as the
25 site licensing manager.

1 So getting to the inspection, to my
2 understanding the inspection that led to the NCVs that
3 actually occurred while Ms. Henderson was the site
4 licensing manager, and then I'm not 100 percent sure
5 when the NRC inspection report came out but, during
6 the transition from Henderson into the corporate
7 office I had McBrearty back to the site.

8 The TVA's concerns about two of the non-
9 cited violations gathered some focus and we sought to
10 develop a strategy to address those.

11 SR. SPECIAL AGENT LUINA: Okay.

12 MR. SHEA: So I can -- Since you were
13 about to ask about those I can pause or I can just
14 keep --

15 SR. SPECIAL AGENT LUINA: Yes, the Kirk
16 Key and the (inaudible) NCVs, that's how I'll refer to
17 them, is that how you know them as, too?

18 MR. SHEA: Correct.

19 SR. SPECIAL AGENT LUINA: Okay. We can
20 talk about those, yes, absolutely. What was -- I
21 guess you can continue on with this chronology that
22 you are kind of following along, you know, so that it
23 kind of makes sense to me. I'll let you keep going
24 then, yes.

25 MR. SHEA: Okay.

1 SR. SPECIAL AGENT LUINA: Your involvement
2 with those, and particular McBrearty's involvement and
3 Henderson as well.

4 MR. SHEA: Right.

5 SR. SPECIAL AGENT LUINA: All right.

6 MR. SHEA: So there was an interest on the
7 part of Sequoyah in challenging those two non-cited
8 violations. So there is a process within the NRC by
9 which a utility is offered the opportunity to formally
10 challenge the validity of a non-cited violation,
11 sometimes referred to as denials, appeals.

12 SR. SPECIAL AGENT LUINA: Denials, sure.

13 MR. SHEA: Denials. It's sometimes used
14 interchangeably. And as we evaluated the potential to
15 formally challenge either one or both of those a
16 number of types of activities go on.

17 The regulatory staff looks very, very
18 carefully at the details of the violation that the NRC
19 has formally documented and ensures that we have a
20 full understanding of what that is both from a
21 technical and a regulatory standpoint.

22 Regulatory, including the regulations, the
23 guidance, and all the dimensions of the licensing
24 basis. And we also seek to make sure we understand
25 the underlying technical concern of the NRC at the

1 same time.

2 And on both of these I would say generally
3 there was a strong common consensus that both of these
4 warranted an appeal in some fashion.

5 SR. SPECIAL AGENT LUINA: Like a denial
6 letter?

7 MR. SHEA: Yes.

8 SR. SPECIAL AGENT LUINA: Okay.

9 MR. SHEA: Well, so I'll use the term
10 appeal --

11 SR. SPECIAL AGENT LUINA: Okay.

12 MR. SHEA: -- because what we looked at
13 we, Erin and myself, and I don't recall when Mike
14 stepped back into role, because I told you he went to
15 EP and then back into licensing so there was some
16 transition time, that's not clear in my mind.

17 SR. SPECIAL AGENT LUINA: Yes.

18 MR. SHEA: And at that time the industry
19 itself was struggling with the concept of successful
20 appeals or denials of violations --

21 SR. SPECIAL AGENT LUINA: Okay.

22 MR. SHEA: -- with a process that exists
23 but the general consensus in the industry, and one
24 could probably do statistical research, led to the
25 perspective that it was a process in name only, that

1 is there was very little track record of utilities
2 successfully appealing or denying violations.

3 SR. SPECIAL AGENT LUINA: Okay.

4 MR. SHEA: And at the time it was of high
5 frustration to the industry and so at that time there
6 were one or two other utilities who were in the
7 process of appealing violations.

8 SR. SPECIAL AGENT LUINA: Similar to
9 these?

10 MR. SHEA: I would -- Green non-cited
11 violations.

12 SR. SPECIAL AGENT LUINA: Okay.

13 MR. SHEA: Not the same topics.

14 SR. SPECIAL AGENT LUINA: Not the same.

15 MR. SHEA: Not the same topics, not at
16 all.

17 SR. SPECIAL AGENT LUINA: Not at all,
18 okay, yes. The green non-cited that maybe were a
19 little --

20 MR. SHEA: That's right.

21 SR. SPECIAL AGENT LUINA: Okay, all right.

22 MR. SHEA: And so there was an interest on
23 my part to figure out how to be successful. If we
24 were confident that we were technically and
25 regulatorily correct in our understanding and that we

1 had a sound basis that is different than having a
2 strategy about how to successful make the case to the
3 NRC.

4 SR. SPECIAL AGENT LUINA: Okay.

5 MR. SHEA: And so other utilities were
6 trying to figure out how to be successful there and we
7 were not different in that point in time.

8 In addition, TVA was also having just
9 recovered Browns Ferry and with Sequoyah on the cusp
10 of having its own supplemental inspection for an
11 unrelated issue, there is a sensitivity to denying
12 violations. There is a high degree of sensitivity to
13 the relationship with the NRC.

14 SR. SPECIAL AGENT LUINA: Okay.

15 MR. SHEA: Sometimes people don't like to
16 talk about it in that way but it's actually real. So
17 the utility that is seen as constantly in denial of
18 violations is one that is struggling to be successful
19 regulatorily.

20 So we are mindful of that as well as the
21 industry general unsuccessful track record in
22 appealing violations.

23 SR. SPECIAL AGENT LUINA: Okay.

24 MR. SHEA: So at that time in
25 approximately November of 2015 Ms. Henderson and I in

1 our role in the corporate office went down and had a
2 meeting in Atlanta to discuss a number of regulatory
3 issues under the NRC's drop-in policy and we in that
4 meeting expressed our, the company's, concern about
5 these two violations and we talked about the industry
6 frustration with the appeal process to my recollection
7 and we expressed our concern specifically about what
8 appeared to be a growing trend of the NRC to cite
9 issues related to equipment service life.

10 SR. SPECIAL AGENT LUINA: Okay.

11 MR. SHEA: Kirk Key, just for this
12 discussion, was a unique to TVA, a unique to Sequoyah
13 design. Service life was a broad category of issues
14 of which the matter that was cited as Sequoyah was
15 specific to their design but it fell into something
16 that the industry was concerned was popping up all
17 over the place.

18 SR. SPECIAL AGENT LUINA: Okay.

19 MR. SHEA: So our discussion with the
20 region at that time was along the lines of we're, as
21 a company, looking to find a way to get the NRC to
22 reconsider these violations.

23 We were very well aware of the formal
24 denial process. We expressed our concern consistent
25 with the rest of the industry and the general lack of

1 credibility of that process.

2 And so we described that we would be
3 considering, for example, writing a letter where we
4 just put our position in writing on the docket and
5 call it an observation, call it a, well, an
6 observation letter, and just put it on the docket so
7 that there was a record of our non-agreement with it.

8 SR. SPECIAL AGENT LUINA: But not denial?

9 MR. SHEA: Different --

10 SR. SPECIAL AGENT LUINA: Yes, different
11 than a denial, but --

12 MR. SHEA: Different. And so the feedback
13 from the region was, well, you have the appeal
14 process, the denial process, but anything you put on
15 the record, right, if we're going to read it and if
16 it's well written we'll treat it as a denial.

17 So it was an opportunity for us to, given
18 our lower than industry average overall regulatory
19 performance, put an issue of concern on the table
20 without as a company looking overly combative.

21 SR. SPECIAL AGENT LUINA: Yes, that's my
22 thing, what -- Okay. Yes, why not just deny the
23 violation?

24 MR. SHEA: As I --

25 SR. SPECIAL AGENT LUINA: Because of all

1 those reasons you've explained?

2 MR. SHEA: That's right.

3 SR. SPECIAL AGENT LUINA: Okay. You want
4 to look --

5 MR. SHEA: Well, no, no --

6 SR. SPECIAL AGENT LUINA: Okay.

7 MR. SHEA: -- more. There was little
8 understanding of how to make a successful denial.
9 There were many other utilities that had submitted
10 denials and --

11 SR. SPECIAL AGENT LUINA: Unsuccessful.

12 MR. SHEA: -- the industry thought that
13 they looked, that looks like a solid argument and they
14 were viewed as being routinely and almost reflexively
15 rejected.

16 MR. SHEA: That was the view.

17 SR. SPECIAL AGENT LUINA: Is that meeting
18 from November 2015 with the NRC, is it documented in
19 any way?

20 MR. CHANDLER: We have some internal
21 meeting notes from that, yes.

22 SR. SPECIAL AGENT LUINA: Okay, could I
23 get those, please?

24 MR. CHANDLER: Sure.

25 SR. SPECIAL AGENT LUINA: Okay, so at that

1 meeting, you proposed this idea in an observational
2 letter or a, it's an informational letter, I guess, on
3 both the NCVs?

4 MR. SHEA: Informational letter is a good
5 characterization.

6 SR. SPECIAL AGENT LUINA: Okay, and the
7 NRC says sounds good?

8 MR. SHEA: So to be clear, it's not a
9 proposed type of discussion. It's we're describing
10 something we might do. We're not looking for the NRC
11 to agree or disagree, right? It's a drop in meeting,
12 so we can't have that kind of agreement made in such
13 a meeting.

14 SR. SPECIAL AGENT LUINA: Oh, so it's a --
15 I'm sorry. What did you say it was?

16 MR. SHEA: A drop in meeting.

17 SR. SPECIAL AGENT LUINA: No, describe
18 that again how you described it.

19 MR. SHEA: We described what we were
20 considering doing.

21 SR. SPECIAL AGENT LUINA: Okay.

22 MR. SHEA: You used the word proposed.

23 SR. SPECIAL AGENT LUINA: Yeah, I'm trying
24 to make sure I phrase it right. Then explain it to me
25 what that means.

1 MR. SHEA: We described that we were
2 considering just documenting our opinion or
3 perspective on these two issues --

4 SR. SPECIAL AGENT LUINA: Okay.

5 MR. SHEA: -- on the docket in writing,
6 and they acknowledged that we were considering doing
7 that. I just want to --

8 SR. SPECIAL AGENT LUINA: Okay, I see.

9 MR. SHEA: -- be clear that the nature of
10 those meetings isn't we propose it and they agree.

11 SR. SPECIAL AGENT LUINA: And they agree.

12 MR. SHEA: It's a drop in meeting.

13 SR. SPECIAL AGENT LUINA: It's a drop in
14 meeting, okay. I haven't heard it described like
15 that.

16 MR. SHEA: Yeah, I don't want you to get
17 me in trouble with your IG.

18 SR. SPECIAL AGENT LUINA: No, I'm just
19 trying to understand how that works, all right. I've
20 never been involved in one, so I don't know.

21 MR. SHEA: Your folks in trouble with your
22 IG.

23 SR. SPECIAL AGENT LUINA: That's right,
24 all right, so that happens, and then the letters are
25 submitted or not until January.

1 MR. SHEA: So in January of 2016 --

2 SR. SPECIAL AGENT LUINA: Yes, that's what
3 I have too.

4 MR. SHEA: -- we submitted the letter to
5 the NRC that challenged the kirk key (phonetic).

6 SR. SPECIAL AGENT LUINA: The kirk key,
7 yeah, and I have that, so that's -- I don't need that
8 one. And then that letter was submitted. During this
9 time period, what is McBrearty's opinion of all of
10 this or what is he telling you about his opinion of
11 all of this in the 2015, early 2016 time frame?

12 MR. SHEA: Initially -- I don't have any
13 immediate recollection. There was a turnover going on
14 between himself and a gentleman named John Johnson who
15 was an employee at Sequoyah who was, served in an
16 entering licensing manager role. Mike was (inaudible)
17 from EP back to licensing. So how they were managing
18 that, I'm not 100 percent clear, but certainly I don't
19 recall any specific challenge about sending the kirk
20 key letter out as it was.

21 SR. SPECIAL AGENT LUINA: Any challenge
22 like, you know, "We need to either deny or accept the
23 violation, Joe? We can't do this informational thing.
24 What is this? Why are we doing it this way?" any
25 discussion like that?

1 MR. SHEA: So those discussions of that
2 nature occurred over time.

3 SR. SPECIAL AGENT LUINA: Okay.

4 MR. SHEA: I can't tell you that back, at
5 the time we sent the kirk key letter. I don't have a
6 recall and I don't know if in my notes I have anything
7 that suggests, "That's a stupid idea. We should just
8 stick to the denial path." And all of the regulatory
9 team here and the professionals at TVA regulatory
10 understood the industry context by which the industry
11 viewed as not being a successful denial process.

12 SR. SPECIAL AGENT LUINA: Okay.

13 MR. SHEA: So the idea that we were going
14 to try an alternative route of just putting
15 information on the docket didn't necessarily seem any
16 more likely to be successful, but not less likely to
17 be successful.

18 SR. SPECIAL AGENT LUINA: Have you done
19 this at any other sites before with any other green
20 NCVs at all, I mean, prior to this one obviously?

21 MR. SHEA: Not that I recall, so.

22 SR. SPECIAL AGENT LUINA: So it was
23 something new that TVA was --

24 MR. SHEA: Right.

25 SR. SPECIAL AGENT LUINA: For the first

1 time, okay.

2 MR. SHEA: And, you know, I would have had
3 some sideboard conversations with my peers in the
4 industry and they had said, "We agree that denials
5 don't work. Good luck on that. You know, tell us how
6 that works out."

7 SR. SPECIAL AGENT LUINA: Was there any
8 other sites not -- I think -- I don't know if you
9 mentioned that or not, that were doing it this route
10 with these informational letters, putting something on
11 the docket?

12 MR. SHEA: Not that I recall, but all
13 manner of utilities have over time thorny regulatory
14 issues that sometimes have significant consequences as
15 the service life, as you certainly did, that they work
16 in many different ways with the NRC to get to a
17 resolution.

18 So I can't tell you that an observation
19 letter was tried before, but the appeal process was
20 not the only tool that utilities used if they can't
21 get satisfaction through that.

22 SR. SPECIAL AGENT LUINA: Okay, that's
23 fair enough, all right.

24 MR. SHEA: Okay.

25 SR. SPECIAL AGENT LUINA: Okay.

1 MR. SHEA: Now, as I mentioned earlier,
2 there was a population of non-cited violations kind of
3 popping up across the industry related to the topic of
4 service life, and the NRC, as you know, has a process
5 by which it can look at issues that are occurring at
6 more than one site and determine whether some generic
7 communication is required.

8 SR. SPECIAL AGENT LUINA: Are you talking
9 about the regulatory issue summary?

10 MR. SHEA: That's just one.

11 SR. SPECIAL AGENT LUINA: Okay.

12 MR. SHEA: That's one type of tool. So
13 that was something that -- I don't have a particular
14 clarity, but over the, I'm going to say the spring of
15 2016, there was a growing awareness that the industry
16 was going to, through its trade association, NEI, try
17 to engage the NRC to seek to understand what was the
18 NRC's generic concern with equipment service life --

19 SR. SPECIAL AGENT LUINA: Service life,
20 okay.

21 MR. SHEA: -- and to engage with the NRC
22 on understanding any generic communications that were
23 being planned by the NRC --

24 SR. SPECIAL AGENT LUINA: Okay.

25 MR. SHEA: -- to ensure we understood what

1 their final answer was going to be so we could then go
2 take action to address whatever understanding came out
3 of that.

4 So the generic communication process is
5 not a short one at the NRC, so it took, I'm going to
6 say until at least a period of a year where that back
7 and forth between the industry through its trade
8 association was playing out through a series of public
9 meetings and drafts of regulatory issue summaries, so
10 all of that was going on.

11 SR. SPECIAL AGENT LUINA: So that process,
12 the generic -- how did you refer to that, the generic
13 industry?

14 MR. SHEA: Generic communication process.

15 SR. SPECIAL AGENT LUINA: Okay, and one of
16 those is a RIS you're talking about, right?

17 MR. SHEA: Yes.

18 SR. SPECIAL AGENT LUINA: And there's
19 other ones that could be --

20 MR. SHEA: That's correct.

21 SR. SPECIAL AGENT LUINA: Okay, in your
22 experience, could that process though resolve an NCV?

23 MR. SHEA: It could do one of a couple
24 things. It could form, provide a clarification, a
25 technical clarification to what was the generic,

1 existing generic guidance on, in this case, service
2 life --

3 SR. SPECIAL AGENT LUINA: Okay.

4 MR. SHEA: -- such that we and other
5 utilities would then be better able to understand our
6 specific non-cited violations --

7 SR. SPECIAL AGENT LUINA: Right, okay.

8 MR. SHEA: -- and whether, you know,
9 whether it had been perfectly stated by the individual
10 inspector relative to the NRC's final formal --

11 SR. SPECIAL AGENT LUINA: New guidance,
12 okay.

13 MR. SHEA: -- we would be able to see
14 enough of the relationship and potentially then --

15 SR. SPECIAL AGENT LUINA: With a better
16 denial or --

17 MR. SHEA: -- fix whatever we -- right.

18 SR. SPECIAL AGENT LUINA: -- whatever
19 route you need to go, okay.

20 MR. SHEA: Right, and we struggled with
21 the service life issue to understand ultimately what
22 was the both -- the Sequoyah service life issue
23 specifically, what was the underlying defect in our
24 regulatory understanding of our own plants --

25 SR. SPECIAL AGENT LUINA: Okay.

1 MR. SHEA: -- which was the underlying
2 frustration.

3 SR. SPECIAL AGENT LUINA: Okay.

4 MR. SHEA: So we had, I'm confident that
5 we had a number of opportunities in which we
6 communicated to the region and to the site that our
7 strategy on service life was to follow the industry
8 efforts to get generic clarity.

9 SR. SPECIAL AGENT LUINA: Okay.

10 MR. SHEA: And I can't recall, you know,
11 at what time Mike might have taken his earliest
12 exception to that strategy. It certainly emerged
13 later and he expressed that in a number of emails and
14 a number of settings. Let me offer to talk to Mr.
15 Chandler for a minute.

16 SR. SPECIAL AGENT LUINA: Okay, we can go
17 off the record for a little bit. The time is now 1:41
18 p.m. and they're going to take a quick sidebar.

19 (Whereupon, the above-entitled matter went
20 off the record at 1:41 p.m. and resumed at 1:45 p.m.)

21 SR. SPECIAL AGENT LUINA: All right, the
22 time is now 1:45 p.m. and we're back on the record.
23 We just took a quick break so you could have a sidebar
24 with your attorney. Is there anything you wanted to
25 mention?

1 MR. SHEA: So let me bring forward or to
2 a conclusion the story of the service life and the
3 kirk key --

4 SR. SPECIAL AGENT LUINA: Okay.

5 MR. SHEA: -- issue. So ultimately on the
6 kirk key issue, we got some verbal feedback from the
7 NRC that they were not persuaded by our observation
8 and thus they were going to -- they weren't inclined
9 to overturn their original NCV, so that put us in the
10 position of having to put together a license amendment
11 request to address that issue, which we ultimately
12 did, and ultimately it was approved.

13 SR. SPECIAL AGENT LUINA: And that was for
14 the kirk key?

15 MR. SHEA: The kirk key issue.

16 SR. SPECIAL AGENT LUINA: Okay.

17 MR. SHEA: On the service life issue, the
18 --

19 SR. SPECIAL AGENT LUINA: Sorry, the LAR
20 has been approved?

21 MR. SHEA: Yes, sir.

22 SR. SPECIAL AGENT LUINA: Okay, sorry, go
23 ahead.

24 MR. SHEA: To my -- yes.

25 SR. SPECIAL AGENT LUINA: Okay.

1 MR. SHEA: To my -- on the service life
2 issue, the industry issue, the generic process got to
3 a point where the NRC declined to issue any kind of
4 regulatory issue summary, which took a protracted
5 period of time, at least a year, probably closer to a
6 year and a half.

7 But at that time, as we saw that that was
8 not going to provide the clarity that we were talking
9 about earlier, then it came back to us to make a
10 decision of whether we were going to formally deny
11 that --

12 SR. SPECIAL AGENT LUINA: Yeah.

13 MR. SHEA: -- or not. Ultimately, we
14 formally did submit a denial of that and that was
15 ultimately sustained by the NRC. That is the original
16 NCV was, in fact, overturned.

17 SR. SPECIAL AGENT LUINA: Overturned,
18 yeah.

19 MR. SHEA: So, you know, in the big
20 picture, there was, my view, over a period of time,
21 challenges to get aligned on our strategy, but
22 ultimately there was no view in either the corporate
23 office or the site office that we were willing to
24 remain exposed to not resolving the issues we had been
25 given the NCVs for.

1 So it was, for a long period of time,
2 there was a disagreement on strategy and tactics --

3 SR. SPECIAL AGENT LUINA: Okay.

4 MR. SHEA: -- not ultimate outcome.

5 MR. CHANDLER: And Scott, do you mind if
6 I ask a clarifying question there?

7 SR. SPECIAL AGENT LUINA: Yeah.

8 MR. CHANDLER: So when you say remain
9 exposed, you mean, as I understand it, you were saying
10 there was never any intent to remain out of
11 compliance?

12 MR. SHEA: That's correct. That's
13 correct. That's correct.

14 MR. CHANDLER: Okay.

15 MR. SHEA: Yes, if we had not addressed
16 those NCVs, we would have been noncompliant and
17 subject to further enforcement, so we had no
18 disagreement that we ever wanted to be anything other
19 than compliant.

20 SR. SPECIAL AGENT LUINA: So were you out
21 of compliance though during that time period from 2015
22 to '18 when you were addressing the NCVs?

23 MR. SHEA: So the non-cited violations
24 were a matter of agency record, so until we either
25 took corrective action to address directly what was

1 cited, then we were in a period of restoring
2 compliance. So in the case of the kirk key, we
3 restored compliance by changing the license.

4 SR. SPECIAL AGENT LUINA: Yeah.

5 MR. SHEA: And in the case of service
6 life, we ultimately had the original NCV overturned,
7 so theoretically, we were never in noncompliance.

8 SR. SPECIAL AGENT LUINA: Yeah, but the --
9 and as you kind of explained, the reason it took so
10 long was just this idea of doing -- is that, "Denials
11 would be denied almost automatically anyway. We think
12 we have a strong case that we are doing what we need
13 to do anyway." Is that -- I don't want to put words
14 in your mouth. Is that --

15 MR. SHEA: Yeah, no, yeah, please. So --

16 SR. SPECIAL AGENT LUINA: Yeah.

17 MR. SHEA: On the service life, it was, in
18 my mind, it was a sound strategy to not get ahead of
19 where the industry was in its generic engagement.

20 SR. SPECIAL AGENT LUINA: Okay, I
21 understand that.

22 MR. SHEA: It was a sound strategy not to
23 do that.

24 SR. SPECIAL AGENT LUINA: You had that
25 information kind of early on after you got that --

1 MR. SHEA: Right.

2 SR. SPECIAL AGENT LUINA: -- the
3 violation.

4 MR. SHEA: And on the kirk key, we
5 provided relatively quickly, so January of 2016, our
6 position on the NCV to the NRC. They considered it.
7 They gave us feedback.

8 SR. SPECIAL AGENT LUINA: That's true.

9 MR. SHEA: And we took then action, you
10 know, in a methodical manner, to get the license
11 amended.

12 SR. SPECIAL AGENT LUINA: To get the LAR
13 done, okay.

14 MR. SHEA: Right.

15 SR. SPECIAL AGENT LUINA: Okay, and you
16 mentioned there was challenges to get aligned on how
17 to address the issue internally, I assume?

18 MR. SHEA: There were.

19 SR. SPECIAL AGENT LUINA: Within site
20 licensing and corporate nuclear licensing or within
21 corporate nuclear licensing or --

22 MR. SHEA: I guess --

23 SR. SPECIAL AGENT LUINA: And who was
24 having --

25 MR. SHEA: Yeah, I guess you had asked

1 about the, I think, the relationship between Mike and
2 Erin at the corporate office, Mike at the corporate
3 office on these two issues.

4 SR. SPECIAL AGENT LUINA: Yeah.

5 MR. SHEA: And, you know, in my
6 observation, that started off in a reasonably neutral
7 place, but starting in 2016, there were a series of
8 I'll call them events where that relationship became
9 very challenged.

10 SR. SPECIAL AGENT LUINA: Okay.

11 MR. SHEA: So I --

12 SR. SPECIAL AGENT LUINA: Part of those
13 events, I guess, yeah, and you're talking about
14 specifically Henderson and McBrearty or McBrearty and
15 corporate nuclear licensing?

16 MR. SHEA: Both.

17 SR. SPECIAL AGENT LUINA: Both, okay.

18 MR. SHEA: So I mentioned the governance
19 oversight, execution, and support model.

20 SR. SPECIAL AGENT LUINA: Yeah.

21 MR. SHEA: And I mentioned that in that
22 model, each functional area has a corporate lead.

23 SR. SPECIAL AGENT LUINA: Lead?

24 MR. SHEA: Lead --

25 SR. SPECIAL AGENT LUINA: Okay.

1 MR. SHEA: -- person. That person that by
2 title is referred to as a corporate functional area
3 manager.

4 SR. SPECIAL AGENT LUINA: CFAM?

5 MR. SHEA: CFAM, that's right. And
6 there's a chemistry CFAM, an operations CFAM,
7 maintenance, and at that time, in the regulatory
8 affairs or the licensing group, I drove the creation
9 of a defined licensing CFAM, a regulatory affairs CFAM
10 position.

11 SR. SPECIAL AGENT LUINA: Which was
12 Henderson, right?

13 MR. SHEA: No.

14 SR. SPECIAL AGENT LUINA: No?

15 MR. SHEA: No, she was the senior manager
16 of fleet regulatory operations. So I strategized with
17 her and my bosses to create a CFAM position underneath
18 the senior manager, underneath Ms. Henderson --

19 SR. SPECIAL AGENT LUINA: Okay.

20 MR. SHEA: -- who would themselves have
21 two or three individual contributors. So we created
22 a position.

23 SR. SPECIAL AGENT LUINA: And who was
24 that?

25 MR. SHEA: So we, when we recruited for

1 it, or posted for it is the term, in early 2016, we
2 filled it by hiring, Erin did, Michelle Connor
3 (phonetic), who was, at that time, she was at
4 Sequoyah.

5 SR. SPECIAL AGENT LUINA: Okay.

6 MR. SHEA: She had worked at Sequoyah on
7 a regulatory project. It was referred to as the
8 improved tech spec project. She had worked on that
9 for a period of probably four to five years. It was
10 a long project.

11 So she had -- and that had been in
12 parallel with when Mike was the licensing manager at
13 the site for a number of those years, and they
14 actually worked together on that project, him in his
15 role and her in her project role.

16 They had worked together, and that
17 included when he was in the corporate office. For the
18 year he was in the corporate office, he continued to
19 be very active in managing that project and
20 interacting with Michelle Connor.

21 So we recruited or we hired Michelle into
22 the CFAM position in the February 2016 time frame.

23 SR. SPECIAL AGENT LUINA: '16, I think,
24 yeah.

25 MR. SHEA: And in my view, Michelle

1 brought with that, brought with her, she had gained
2 some considerable licensing experience on that project
3 I referred to.

4 And she had a NRC senior reactor operator
5 license at the site which was viewed as a very
6 valuable skill to have in a regulatory affairs group,
7 someone who actually understands the technical
8 specifications, reportability requirements, someone
9 who has actually lived that.

10 So in my view, it was a solid hire that
11 was going to add value, and she had a fair amount of
12 energy to bring, which is what a CFAM needs --

13 SR. SPECIAL AGENT LUINA: Okay.

14 MR. SHEA: -- to be intrusive with the
15 sites and have a strong questioning attitude. She had
16 a lot of attributes that gave her the potential to be
17 a successful CFAM.

18 SR. SPECIAL AGENT LUINA: So she's in
19 oversight in her role over all of the sites, the
20 nuclear sites?

21 MR. SHEA: Correct.

22 SR. SPECIAL AGENT LUINA: Okay.

23 MR. SHEA: Including the site licensing
24 managers at Watts Bar, Sequoyah, Mike, and Browns
25 Ferry.

1 SR. SPECIAL AGENT LUINA: Oversight, what
2 does that entail?

3 MR. SHEA: Oversight means keeping track
4 of, on an ongoing basis, what regulatory issues the
5 sites are having, whether it's a developing potential
6 noncompliance or a developing reportability issue, so
7 keeping track of those daily, the regulatory issues,
8 to setting and defining the expectations, both in
9 process and behavioral, for the functional team, in
10 this case, for the site licensing teams.

11 SR. SPECIAL AGENT LUINA: Okay.

12 MR. SHEA: So if there are procedures that
13 need to be improved, then she would be, in this case,
14 she, the CFAM is the one who ensures that those
15 procedures are upgraded and then is the one who
16 monitors compliance with those procedures, so it's an
17 oversight role --

18 SR. SPECIAL AGENT LUINA: Okay.

19 MR. SHEA: -- in that regard.

20 SR. SPECIAL AGENT LUINA: Monitoring and
21 oversight, okay.

22 MR. SHEA: That's right.

23 SR. SPECIAL AGENT LUINA: All right, and
24 you mentioned some events that occurred?

25 MR. SHEA: So not long after Michelle

1 Connor took her place in the CFAM role, in three
2 separate contexts, either myself or Ms. Henderson were
3 made aware of perceptions that there had been or maybe
4 continued to be an inappropriate relationship between
5 Ms. Connor and Mr. McBrearty.

6 SR. SPECIAL AGENT LUINA: How did you all
7 become aware of that? Who --

8 MR. SHEA: Yeah, to my recollection, it
9 was brought forward by the HR specialist, at the time,
10 his name was John Wheeler, who -- I don't remember
11 exactly in what context he brought it to me, but I
12 remember him telling me that he had heard this.

13 SR. SPECIAL AGENT LUINA: Who did he say
14 he heard it from?

15 MR. SHEA: I don't recall.

16 SR. SPECIAL AGENT LUINA: So he came to
17 you saying --

18 MR. SHEA: Well, so there's three contexts
19 and I don't -- so one of them, one of the three, the
20 other one was the corporate or fleet employee concerns
21 senior manager. That's Inza Hagins-Dyer.

22 SR. SPECIAL AGENT LUINA: Yeah.

23 MR. SHEA: And the third one didn't come
24 to me. That was the senior manager or general manager
25 of nuclear projects, Marie Gillman. I believe that

1 one was, that communication was to Erin, but either
2 John or Inza talked to me directly and the other one
3 talked to Erin. So there were three people bringing
4 a similar message to Erin and I with independence.

5 SR. SPECIAL AGENT LUINA: Okay.

6 MR. SHEA: There was varying degrees of
7 specificity. One was along the lines of, "It's
8 generally known at the site that they're having a
9 relationship."

10 Others were along the lines of, "I or
11 people I know have observed the two of them out in
12 town shopping together," and things that struck
13 whoever was reporting that out as odd because Ms.
14 Connor has a family of her own and it was just viewed
15 as odd.

16 So it led to the generation of a series
17 of, I guess, rumors is the best way to phrase it, but
18 Erin and I received three distinct I call it input
19 streams, input hits, in a very short period of time.
20 I want to say between March, maybe early April,
21 actually March and April.

22 SR. SPECIAL AGENT LUINA: Okay.

23 MR. SHEA: So we'll hold onto that because
24 in terms of what action occurred out of that, I want
25 to also describe that in about the first week of

1 April, there was a condition identified at Sequoyah
2 with their, I believe it was their high pressure fire
3 protection system, where there was a period of time
4 when the system may have been unknowingly out of
5 service.

6 And when something like that goes on, it's
7 the site's regulatory affairs or licensing teams' job
8 to help determine whether that needs to be reported to
9 the NRC formally through the 5072 or 3 process, and in
10 the role, it would be the CFAM's job to ensure that
11 all of the correct NRC guidance and TVA procedures for
12 making such a reportability determination were
13 followed.

14 And if there any disagreements, or any
15 disagreements between the licensing and the operations
16 staff or disagreements between corporate and site, the
17 CFAM would help drive consensus on that.

18 And I recall fairly clearly that that
19 occurred right before I went on vacation, and while I
20 was on vacation, I became aware that it was initially
21 viewed as, I believe, not reportable, and then about
22 later in the week, it was viewed as reportable. So I,
23 in my experience here at TVA, became concerned that
24 there wasn't full site and corporate, operations and
25 licensing alignment.

1 SR. SPECIAL AGENT LUINA: Okay.

2 MR. SHEA: And so I recall when I came
3 back from vacation, that issue had just played out
4 while I was gone, and I remember engaging Ms. Connor
5 to ask her how that had, how that dynamic, how that
6 team dynamic with the roles and responsibilities had
7 been, and I had asked her that for a couple of
8 reasons.

9 First, I was trying to understand was she
10 learning. Remember, she had only been in the role for
11 about a month and a half, at most maybe two months at
12 this point. Was she learning the CFAM role?

13 So I was trying to understand. "Tell me
14 a timeline for this issue as it played out over a week
15 or 10 days." You know, "Who said what? Who had what
16 opinion? And how did the opinions get into
17 consensus?"

18 SR. SPECIAL AGENT LUINA: Okay.

19 MR. SHEA: "How did that change?" I do
20 recall she acted defensively and her immediate
21 response to me was how the site had done a very good,
22 the site licensing team, Mike, had been, had done a
23 very good job.

24 And I redirected her because I wasn't
25 really challenging whether the site had done a good

1 job or not. I was looking for her to explain how the
2 issue had played out because the positions had shifted
3 over that period of a week, but it struck me that way.

4 So back to the three input streams on the
5 relationship, at approximately that same time, the
6 second and/or third of those became known to Erin and
7 myself, so we talked about those and she was in part,
8 she, Erin, was in part seeking alignment with me,
9 seeking, not counsel, but we were discussing it.

10 Because as we discussed it, while there's
11 not a direct supervisory relationship, which is what
12 one traditionally thinks of when you think about the
13 impacts of an inappropriate relationship, clearly as
14 we were defining the GOES (phonetic) model and had
15 been implementing it for then a couple of years here
16 at TVA, the idea that there could be someone in a
17 corporate oversight role who was either personally
18 compromised or viewed as compromised because of a
19 relationship was something that we couldn't ethically
20 walk by.

21 So we talked about it in those contexts
22 and determined that we needed to take the issue and
23 have the issue investigated in some fashion. It was
24 the right thing to do for the organization because the
25 concern that there were optics from the larger team

1 who might know about this or have a perspective on a
2 relationship, which is what the rumors were.

3 SR. SPECIAL AGENT LUINA: John Wheeler,
4 the HR guy, Inza --

5 MR. SHEA: Hagins-Dyer.

6 SR. SPECIAL AGENT LUINA: -- Hagins-Dyer,
7 the ECP investigator --

8 MR. SHEA: Senior manager.

9 SR. SPECIAL AGENT LUINA: -- Gillman?

10 MR. SHEA: Marie Gillman.

11 SR. SPECIAL AGENT LUINA: Marie Gillman is
12 who?

13 MR. SHEA: She was approximately the
14 general manager of projects, nuclear projects.

15 SR. SPECIAL AGENT LUINA: They had
16 received the information, you know, firsthand,
17 secondhand, thirdhand?

18 MR. SHEA: Absolutely, correct.

19 SR. SPECIAL AGENT LUINA: You have no
20 idea?

21 MR. SHEA: Correct.

22 SR. SPECIAL AGENT LUINA: Okay, and they
23 didn't, like, "No, I saw them at the mall making out,"
24 or something like that, like, or was it --

25 MR. SHEA: Well, as I mentioned --

1 SR. SPECIAL AGENT LUINA: I guess my
2 question -- hold on.

3 MR. SHEA: -- one of those had that theme
4 to it. "I saw them some place."

5 SR. SPECIAL AGENT LUINA: Somewhere, okay.

6 MR. SHEA: Yeah.

7 SR. SPECIAL AGENT LUINA: The question is,
8 you know, John's an HR person, you know, and Inza's an
9 ECP, did they see a need for it to be investigated as
10 an ethical issue?

11 MR. SHEA: Well, I don't recall having
12 that discussion that way with Inza nor John. Erin and
13 I's determination was that whatever it was, it was in
14 everyone's interest to have it properly investigated.

15 SR. SPECIAL AGENT LUINA: Okay.

16 MR. SHEA: So I discussed it with Erin and
17 --

18 SR. SPECIAL AGENT LUINA: You all decided
19 to file it formally, I guess?

20 MR. SHEA: I believe she, I believe, to my
21 recollection, she verbally communicated that to the
22 then senior manager of HR, which would have been Deb
23 Keel (phonetic) at the time.

24 SR. SPECIAL AGENT LUINA: Deb Keel at the
25 time, okay. All right, and that's in, my

1 understanding --

2 MR. SHEA: Approximately April.

3 SR. SPECIAL AGENT LUINA: April of 2016?

4 MR. SHEA: 2016.

5 SR. SPECIAL AGENT LUINA: Okay, all right,
6 and then the results of that were provided is my
7 understanding.

8 MR. SHEA: I was personally frustrated
9 with the manner in which HR investigated it, which is
10 to say that it appeared to me that they were doing no
11 investigation for a period of time, a month or so or
12 more, which, as a general matter, we're not --

13 I don't view us at particularly good at
14 doing these kind of investigations, but having raised
15 the issue, it struck me as something that we needed to
16 ensure HR got to the bottom of one way or the other.

17 SR. SPECIAL AGENT LUINA: Do they do a lot
18 of these investigations?

19 MR. SHEA: I couldn't tell you.

20 SR. SPECIAL AGENT LUINA: Okay, have you
21 ever reported another employee for something similar?

22 MR. SHEA: A relationship issue, there
23 have been --

24 SR. SPECIAL AGENT LUINA: Or ethical
25 concerns.

1 MR. SHEA: There have been issues where
2 employees in the licensing group have gotten agitated,
3 angry, animated in the workplace, so we've had HR look
4 at those.

5 And there was one where there was an issue
6 where someone may have used, a female may have used a
7 demeaning ethnically, ethnically demeaning terms,
8 derogatory terms to another female employee, and I
9 recall taking those kind of issues to HR.

10 SR. SPECIAL AGENT LUINA: Okay.

11 MR. SHEA: So on this particular
12 investigation, I don't recall when HR finished it --

13 SR. SPECIAL AGENT LUINA: Finished, yeah.

14 MR. SHEA: -- to my understanding of what
15 they did, and I think they briefed Erin. I don't
16 personally recall getting debriefed --

17 SR. SPECIAL AGENT LUINA: Okay.

18 MR. SHEA: -- myself, was that they pulled
19 what are gate logs, is the term used, by Mike. He was
20 frustrated with that, and they interviewed Mike and
21 Michelle and asked them did they have a relationship
22 of any kind, and they, to my understanding, denied
23 that they did, and to my knowledge, that was the
24 extent of the investigation.

25 SR. SPECIAL AGENT LUINA: And Mike was

1 frustrated about something you were saying? How do
2 you know that, I guess?

3 MR. SHEA: Well, over time, I talked to
4 him about it --

5 SR. SPECIAL AGENT LUINA: Okay.

6 MR. SHEA: -- directly. The issue of the
7 gate logs was something that occurred in a series or
8 recurred in a series of forums, ECP investigations
9 which occurred later.

10 SR. SPECIAL AGENT LUINA: Yeah.

11 MR. SHEA: And, you know, other employees
12 had brought it up in other contexts.

13 SR. SPECIAL AGENT LUINA: Okay.

14 MR. SHEA: It was, if I understood the
15 technique, it was intended by HR to see if they could
16 find a pattern where Michelle and Mike were somehow on
17 the site, leaving the site, coming and going at the
18 same time. It strikes me as, I don't know, not a
19 particularly --

20 SR. SPECIAL AGENT LUINA: Odd, yeah, okay.

21 MR. SHEA: Technique. But to my
22 understanding, Mike was made aware of that immediately
23 by whoever controls gate logs records.

24 SR. SPECIAL AGENT LUINA: At the site?

25 MR. SHEA: At the site.

1 SR. SPECIAL AGENT LUINA: All right.

2 MR. SHEA: So early on, after the HR
3 investigation was requested, it wasn't long before
4 there was concern being expressed by, I don't recall
5 whether it was first Mike or Michelle, that their gate
6 logs had been pulled.

7 SR. SPECIAL AGENT LUINA: Okay.

8 MR. SHEA: And that was kind of viewed as
9 somehow punitive in some fashion.

10 SR. SPECIAL AGENT LUINA: All right, and
11 it's my understanding too there were some ECP
12 complaints filed in 2016?

13 MR. SHEA: There were, yes.

14 SR. SPECIAL AGENT LUINA: July?

15 MR. SHEA: Yes.

16 SR. SPECIAL AGENT LUINA: Do you recall
17 receiving that closeout letter about the investigation
18 in September of '16?

19 MR. SHEA: I do. There were several, so
20 if that's an area you want to explore --

21 SR. SPECIAL AGENT LUINA: Yeah.

22 MR. SHEA: -- I'd have to actually go dig
23 those out.

24 SR. SPECIAL AGENT LUINA: I was just going
25 to ask you do you remember getting this letter on

1 September 9 of '16 about the ECP investigation? It's
2 ECP case NEC1600638 and I'll hand you the form.
3 That's the letter that was sent to you.

4 And my question about it is going to be
5 the corrective actions that are mentioned in the back,
6 the recommended corrective actions --

7 MR. SHEA: Yes.

8 SR. SPECIAL AGENT LUINA: Were any of
9 those corrective actions taken?

10 MR. SHEA: I had to respond to this, yes,
11 within 30 days, and I'm confident I have a --

12 SR. SPECIAL AGENT LUINA: You don't have
13 to -- that's something I want to get to.

14 MR. SHEA: -- a response --

15 SR. SPECIAL AGENT LUINA: A response?

16 MR. SHEA: -- letter, which would have
17 described actions that I had taken or was intending to
18 take.

19 SR. SPECIAL AGENT LUINA: Okay.

20 MR. CHANDLER: I'll double check. It
21 should have been in the file that I provided you, but
22 if it wasn't, then we'll have to locate it some place.

23 SR. SPECIAL AGENT LUINA: Yeah, I don't
24 think it was.

25 MR. CHANDLER: Okay.

1 SR. SPECIAL AGENT LUINA: Just the -- and
2 I'm going to ask you that too.

3 MR. CHANDLER: Let me see that date.

4 SR. SPECIAL AGENT LUINA: Yeah, there are
5 two as well.

6 MR. CHANDLER: I'll double check that.

7 SR. SPECIAL AGENT LUINA: All right, the
8 -- you mentioned, like, the peer relationship between
9 the sites' licensing groups and the corporate nuclear
10 licensing groups?

11 MR. SHEA: Yes.

12 SR. SPECIAL AGENT LUINA: It's my
13 understanding you all have something called a peer
14 team phone call?

15 MR. SHEA: Yes.

16 SR. SPECIAL AGENT LUINA: I don't know if
17 those are done weekly, monthly, or as needed, or how
18 those --

19 MR. SHEA: It's a procedurally prescribed
20 activity that there is a peer team call weekly with a
21 face-to-face team meeting monthly.

22 SR. SPECIAL AGENT LUINA: Monthly? It's
23 a procedure that you're required to do one?

24 MR. SHEA: Yes.

25 SR. SPECIAL AGENT LUINA: Okay, I'd like

1 to, unless there's something else you'd like to add,
2 jump to probably the February of 2017 time frame.
3 It's my understanding during these -- well, I guess,
4 on the peer team phone calls, who is all -- does the
5 procedure require who is on the phone calls?

6 MR. SHEA: Yes, I couldn't quote the
7 procedure to you, but the principals would be the CFAM
8 and three site licensing managers. Those are the
9 principal participants, and I have a role at
10 participating at those as well.

11 SR. SPECIAL AGENT LUINA: Okay, you do?

12 MR. SHEA: I have three peer teams, so I
13 bounce between them.

14 SR. SPECIAL AGENT LUINA: So on those,
15 CFAM -- so are you and Henderson on those calls then?
16 I know you just kind of said that, I think.

17 MR. SHEA: Well, I don't, yeah, I don't
18 recall whether the director, she's now the director,
19 is a required member of those calls or not.

20 SR. SPECIAL AGENT LUINA: Okay, but
21 definitely those three?

22 MR. SHEA: Four.

23 SR. SPECIAL AGENT LUINA: Four?

24 MR. SHEA: Right, three sites and a CFAM.

25 SR. SPECIAL AGENT LUINA: Three sites and

1 a CFAM, okay. Are these calls documented in any way?
2 Are they tracked or --

3 MR. SHEA: Yeah, there's an agenda put out
4 for each one.

5 SR. SPECIAL AGENT LUINA: Yeah?

6 MR. SHEA: There is now. That's something
7 the current CFAM has become quite disciplined about.
8 As I mentioned, that position was relatively new when
9 Ms. Connor ascended into in early 2016, so the
10 periodicity, the proceduralization, the, you know, the
11 degree was documentation was, I'm sure, quite thin
12 early on. As that activity became matured, it got
13 better.

14 SR. SPECIAL AGENT LUINA: There's an
15 agenda prior to the call. Is there, you know,
16 documented notes of what's said on the call, and
17 action items, and things?

18 MR. SHEA: There are action items.

19 SR. SPECIAL AGENT LUINA: Action items,
20 okay.

21 MR. SHEA: And they're statused on in each
22 successive meeting.

23 SR. SPECIAL AGENT LUINA: Okay, all right,
24 and that's what I want to talk about is essentially
25 there was one, it's my understanding, in February of

1 2017, which I'll try to see if there's notes on that
2 or an agenda on that one that's available, that during
3 that call, Mr. McBrearty mentioned about writing a
4 corrective action report dealing with the decision
5 making process and the strategy leading up to the
6 situation dealing with the two NCVs from Sequoyah.
7 Does that sound familiar to you at all?

8 MR. SHEA: Well, only to the extent I've,
9 you know, read it in various documents associated with
10 this concern, yes.

11 SR. SPECIAL AGENT LUINA: This is the CR
12 he sends. It was generated, my understanding, in
13 February of 2017, CR 1262488. Do you recall that CR?
14 Do you recall that February of '17 CR?

15 MR. SHEA: Yes, without a lot of
16 specificity. I absolutely remember the issue and the
17 discussion in there about, as we were talking earlier,
18 the strategy for dealing with the violations.

19 SR. SPECIAL AGENT LUINA: Okay.

20 MR. SHEA: And to the extent it was
21 captured in the CR, you know, I'm refreshed on that.
22 It's not prominent in my mind whether there was or
23 wasn't one, but --

24 SR. SPECIAL AGENT LUINA: Okay.

25 MR. SHEA: -- there was.

1 SR. SPECIAL AGENT LUINA: Around that same
2 time that this CR came out, and it's my understanding
3 this maybe came out during a peer team phone call, was
4 there a discussion, do you recall, from Mr. McBrearty
5 about, you know, "We need to do a LAR for the kirk key
6 issue for the NCV, to address the kirk key NCV"?

7 MR. SHEA: In February of 2017?

8 SR. SPECIAL AGENT LUINA: '17, yeah.

9 MR. SHEA: I don't recall. So I don't
10 recall that particular peer team meeting or that being
11 a discussion at the meeting.

12 Generally, as I mentioned earlier though,
13 at a point in time after we had submitted the
14 clarification letter in early 2016, we got feedback
15 from the NRC that they were not going to support our
16 clarification and that we needed to put a LAR
17 together.

18 SR. SPECIAL AGENT LUINA: A LAR together,
19 okay.

20 MR. SHEA: Yes, so --

21 SR. SPECIAL AGENT LUINA: Well, I guess,
22 questions like -- it's my understanding maybe that
23 McBrearty had written up, what's it called, a 50.59
24 justification, but the NRC did not agree with that for
25 his kirk key, the original. Does that sound familiar

1 to you?

2 MR. SHEA: 50.59?

3 SR. SPECIAL AGENT LUINA: 50.59, yeah.

4 MR. SHEA: I don't recall that.

5 SR. SPECIAL AGENT LUINA: Conversations
6 with McBrearty where, you know, "Hey, Mike, don't you
7 still support your 50.59 justification on the kirk
8 key?"

9 MR. SHEA: Oh, well, it was -- so in our
10 -- kirk key?

11 SR. SPECIAL AGENT LUINA: Yeah, it was for
12 the kirk is my understanding, yeah.

13 MR. SHEA: So when we were -- put the
14 clarification letter in, so that would have been a
15 document that had a technical letter, regulatory
16 basis.

17 SR. SPECIAL AGENT LUINA: Is that a 50.59
18 or no?

19 MR. SHEA: No, that's the clarification
20 letter that's alluded to there.

21 SR. SPECIAL AGENT LUINA: Okay.

22 MR. SHEA: So there would have been a
23 point of view that we explained in that clarification
24 letter relative to the NCV.

25 SR. SPECIAL AGENT LUINA: For the kirk

1 key?

2 MR. SHEA: For the kirk key.

3 SR. SPECIAL AGENT LUINA: Okay, I'm just
4 making sure we're straight on things, all right.

5 MR. SHEA: For the kirk key, issue. And
6 when we got the feedback at a point in time I don't
7 specifically remember and we recognized we were going
8 to have to put a LAR together, I definitely remember
9 conversations with Mike that said part of our LAR has
10 to be able to put on the docket why we thought one
11 thing in early 2016 and now we think we need to put a
12 license amendment in.

13 In other words, because the NRC hadn't
14 provided written feedback to us and said, "We don't
15 agree with your clarification." They just told us,
16 "The NCV still stands," so --

17 SR. SPECIAL AGENT LUINA: Okay.

18 MR. SHEA: So our position of not agreeing
19 with the NRC is at that point a matter of public
20 record. So my discussion with Mike was we have to, in
21 telling the NRC now why we need their approval, we
22 have to tell them how our point of view has shifted.
23 It's a matter of keeping the public record something
24 that you can follow and understand.

25 SR. SPECIAL AGENT LUINA: Okay.

1 MR. SHEA: So we had some, definitely had
2 some discussions about the importance of doing that
3 and being thorough about that so that you didn't have
4 the public record being completely disconnected.

5 We clarified it to the point of denying it
6 here and, you know, somehow a year and a half later,
7 we think we need NRC approval via a LAR. We, as a
8 utility, needed to connect those dots.

9 SR. SPECIAL AGENT LUINA: Okay.

10 MR. SHEA: That was the feedback.

11 SR. SPECIAL AGENT LUINA: Okay.

12 MR. SHEA: I can't say that Mike disagreed
13 with me. The degree to which the depth of that
14 discussion needed to be put in writing, there may have
15 been a disagreement on the matter of degree.

16 SR. SPECIAL AGENT LUINA: Okay.

17 MR. SHEA: That is between me and Mike.

18 SR. SPECIAL AGENT LUINA: What's that?

19 MR. SHEA: You asked was there
20 disagreement or did Mike and I talk about it. That's
21 what I recall talking to Mike about.

22 SR. SPECIAL AGENT LUINA: What you just
23 explained about the LAR and --

24 MR. SHEA: Yeah.

25 SR. SPECIAL AGENT LUINA: -- and you kind

1 of need to explain why we did --

2 MR. SHEA: Right.

3 SR. SPECIAL AGENT LUINA: -- want to
4 support it --

5 MR. SHEA: Right.

6 SR. SPECIAL AGENT LUINA: -- but now we're
7 saying it needs to be a LAR, okay.

8 MR. SHEA: And before that LAR was
9 submitted, there was a discussion. No, that's not on
10 the kirk key LAR. Sorry, I'm --

11 SR. SPECIAL AGENT LUINA: I know.

12 MR. SHEA: -- confusing two things.

13 SR. SPECIAL AGENT LUINA: I did too.

14 MR. SHEA: So that was my answer to your
15 question on my discussion with Mike about the
16 narrative in the kirk key LAR.

17 SR. SPECIAL AGENT LUINA: Yeah, it was my
18 understanding approximately in March of '17 is when
19 kind of the NRC said, you know, the kirk key is going
20 to be upheld.

21 MR. SHEA: Okay.

22 SR. SPECIAL AGENT LUINA: Yeah, and we
23 don't need to --

24 MR. SHEA: That sounds about right.

25 SR. SPECIAL AGENT LUINA: -- need to do

1 the LAR at that point. Does that sound about right?

2 MR. SHEA: We --

3 SR. SPECIAL AGENT LUINA: Yeah, they had
4 a CR to submit a LAR, right?

5 MR. SHEA: We submitted the LAR if my
6 notes are right. We submitted it in March of 2018.

7 SR. SPECIAL AGENT LUINA: 2018 though,
8 yeah. Yeah, there was a condition report developed to
9 say we're going to do a LAR --

10 MR. SHEA: Okay.

11 SR. SPECIAL AGENT LUINA: -- is my
12 understanding. Okay, so we got that. And then around
13 this same time, there's the service life issue that
14 still needed to be addressed, so now we're into April
15 of 2017. It's my understanding there was another drop
16 in meeting at Sequoyah.

17 I don't know if you were present for that
18 meeting or not, but that might be another meeting I'll
19 need minutes for. I can send you that date.

20 MR. CHANDLER: Yeah, please.

21 SR. SPECIAL AGENT LUINA: That it was
22 discussed again about, you know, we're going to submit
23 a LAR.

24 MR. SHEA: Service life?

25 SR. SPECIAL AGENT LUINA: On the service

1 life, yeah.

2 MR. SHEA: A LAR or a denial?

3 SR. SPECIAL AGENT LUINA: I'm sorry, a
4 denial, a denial on that service life, sorry, yeah.

5 MR. SHEA: This is 2017?

6 SR. SPECIAL AGENT LUINA: 2017, yeah.

7 MR. SHEA: Okay.

8 MR. CHANDLER: Scott, I'm going to pause
9 you there for just one second, and I don't think we
10 need to go off the record for this. We're running a
11 little long. If we reschedule your next interview for
12 tomorrow, is that going to work for you?

13 SR. SPECIAL AGENT LUINA: Yeah, in the
14 morning, I guess, if we can do it in the morning?

15 MR. CHANDLER: Probably, yeah, late
16 morning. I'll see if either right before or right
17 after lunch, either one is fine.

18 SR. SPECIAL AGENT LUINA: Yeah.

19 MR. CHANDLER: Or if you want to come
20 back, if we're going to do that other one tonight,
21 because I just want to let her know that she can free
22 up her afternoon here.

23 SR. SPECIAL AGENT LUINA: Okay, yeah.

24 MR. CHANDLER: Because we've still got the
25 other one at 3:00 still.

1 SR. SPECIAL AGENT LUINA: Yeah.

2 MR. CHANDLER: I think she'll be fine.

3 SR. SPECIAL AGENT LUINA: Okay.

4 MR. CHANDLER: Is that okay?

5 SR. SPECIAL AGENT LUINA: Yeah.

6 MR. CHANDLER: Okay.

7 SR. SPECIAL AGENT LUINA: All right.

8 MR. CHANDLER: She's at Browns Ferry
9 tomorrow.

10 SR. SPECIAL AGENT LUINA: Okay. Okay, I
11 don't need to ask you about that. Okay, it's my
12 understanding, yeah, that there was what has been
13 described to me as a combined denial back fit letter
14 --

15 MR. SHEA: Yes.

16 SR. SPECIAL AGENT LUINA: -- for the
17 service life?

18 MR. SHEA: Yes.

19 SR. SPECIAL AGENT LUINA: Okay, that's
20 what I want to ask you about. It's my understanding
21 this was decided probably in, yeah, early 2017.
22 However, it took until 2018 for it to be submitted.
23 What was the delay there?

24 MR. SHEA: It was submitted in December of
25 2017, I believe.

1 SR. SPECIAL AGENT LUINA: 2017 December,
2 okay, so early, so about, early -- a few months going
3 back and forth. I don't have December. Do you have
4 December? The LAR was submitted in 2018. You're
5 right.

6 MR. SHEA: Right.

7 SR. SPECIAL AGENT LUINA: Yeah, December
8 21, 2017, the service life was submitted, okay. There
9 was a lot of back and forth is my understanding. Is
10 that common, uncommon? What would cause something
11 like that?

12 MR. SHEA: So with the starting point that
13 denials aren't common --

14 SR. SPECIAL AGENT LUINA: Yes.

15 MR. SHEA: -- then between when the
16 inspection occurred, and I talked about the early view
17 on the right denial strategy --

18 SR. SPECIAL AGENT LUINA: Yeah.

19 MR. SHEA: -- in fact, a utility, Exelon,
20 had exercised that process through all three of its
21 steps and ultimately had been successful.

22 SR. SPECIAL AGENT LUINA: With a denial
23 back fit letter or something like it?

24 MR. SHEA: It had -- that was a back fit
25 claim.

1 SR. SPECIAL AGENT LUINA: Okay.

2 MR. SHEA: They're related.

3 SR. SPECIAL AGENT LUINA: Okay.

4 MR. SHEA: And when we recognized that the
5 service life regulatory information summary was not
6 going to pan out in providing us clarity, and we
7 recognized that we needed to shift back to a strategy
8 that appealed directly to the NRC, our service life
9 issue, then the period of time was what it took to
10 develop, in my mind, the successful appeal letter.

11 And in my view, the site's original letter
12 was a standard, traditional denial letter of the kind
13 that had not been successful.

14 SR. SPECIAL AGENT LUINA: Okay.

15 MR. SHEA: So I wanted to do a couple of
16 things, and whether it was to Erin or Mike, or others,
17 I said, "I want us to make sure we have very clearly
18 understood how Exelon was successful."

19 How they had framed the regulatory process
20 issues, how they had framed the requirements, how they
21 had framed the, in their view, right, the defect in
22 the NRC's analysis, and how they had laid that out in
23 a way that was ultimately for them compelling, I
24 wanted us to be similarly compelling.

25 SR. SPECIAL AGENT LUINA: Okay.

1 MR. SHEA: The ability to write those
2 letters is not a common skill even among regulatory
3 folks. It took a company of Exelon's size, they're
4 the largest fleet in the country, to find that skill
5 set to support that and be successful.

6 So I wanted us to learn as much as we
7 could to make ours similarly successful, so I
8 challenged the team generally to go make sure we have
9 done that and to improve our, the quality of our draft
10 denial accordingly.

11 And then once we had done that, I
12 challenged our team and let's go make sure we get some
13 external regulatory peers to look at our draft so that
14 we are not in group think, and so that occurred across
15 the summer of, if I recall, of 2017. Maybe it's even
16 into the fall.

17 I asked someone, a utility up in the
18 Midwest, the north Midwest to look at that, and I had
19 asked others to do that, other peers to do that as a
20 courtesy, so you don't demand that they do it in any
21 particular time frame, but we got that feedback from
22 that peer review and --

23 SR. SPECIAL AGENT LUINA: What was that
24 feedback you got?

25 MR. SHEA: I've got some notes on that.

1 It was feedback in a technical sense that our push
2 back was maybe creating a different set of technical
3 and regulatory compliance issues, so it was, you know,
4 make sure you don't create a new problem by trying to
5 solve a different one and things of that nature,
6 constructive stuff for sure.

7 And I put Mike in direct contact with that
8 individual and, you know, told him I wanted to ensure
9 that we had fulsomely taken advantage of that peer
10 review to make the letter most likely to be
11 successful.

12 There was -- you know, Mike was clearly
13 agitated across 2017, and I'll circle back to that,
14 but ultimately the letter was ready. I signed the
15 letter when it was ready, which was in December of
16 '17.

17 SR. SPECIAL AGENT LUINA: Did Mike suggest
18 maybe corporate nuclear licensing did not need to sign
19 the letter? He could get the site VP to sign it and
20 it could go out, or was he getting really frustrated
21 with --

22 MR. SHEA: He might have. That's a topic
23 that we've talked about. I don't recall where we are
24 in procedural space. I've delegated signatures down
25 to Erin at some point over time --

1 SR. SPECIAL AGENT LUINA: Okay.

2 MR. SHEA: -- when she elevated to the
3 director position. So that was likely a topic of
4 conversation. From my perspective, I was intent on
5 signing that out because it's a very difficult
6 activity to be successful at --

7 SR. SPECIAL AGENT LUINA: Okay.

8 MR. SHEA: -- and I felt myself in the
9 best position to just when it was ready.

10 SR. SPECIAL AGENT LUINA: Okay.

11 MR. SHEA: And I think ultimately, it was
12 submitted, and in August of 2018, then the NRC did, in
13 fact, overturn that original decision. Now, over
14 2017, I mentioned Mike was --

15 SR. SPECIAL AGENT LUINA: Yeah.

16 MR. SHEA: -- there was concerns that his
17 interactions were emerging and becoming more
18 challenging, and I'll take that back to the resolution
19 of issues that Michelle Connor was having.

20 She had struggled to be -- in some of the
21 aspects of the CFAM position and had gotten into some
22 performance management space that ultimately had filed
23 a complaint of -- and we had litigated that and gone
24 to mediation with her in November of 2017 in which she
25 had -- you know, we settled, and she had been placed

1 in another position in another group that works for
2 me.

3 I had, personally had some perspective
4 that, to the extent that Ms. Connor was not working
5 for Ms. Henderson, for which there was a degree of
6 churn, that then Mr. McBrearty, who had expressed his
7 own view to me that Ms. Henderson had gone after Ms.
8 Connor.

9 SR. SPECIAL AGENT LUINA: Ms. Connor,
10 okay. He did say that to you, he thinks that?

11 MR. SHEA: In some fashion. I've got some
12 very high level notes, but he was -- he had a view
13 that that had been, you know, a behavior on Ms.
14 Henderson's part.

15 SR. SPECIAL AGENT LUINA: Okay.

16 MR. SHEA: That with her, Ms. Connor,
17 moved into a position that was completely out of
18 regulatory affairs, the relationship between the
19 sites, including Mike, and the corporate office,
20 including Erin, would return to that which I viewed it
21 could be.

22 As I mentioned out the outset, Mike was a
23 very solid and capable regulatory affairs manager.
24 Erin was a very solid and capable at that time senior
25 manager. And there was nothing in their standards for

1 regulatory compliance that I saw as, you know, being
2 out of alignment in general or even in degrees of
3 rigor, there were no significant misalignments.

4 So I had a perspective that with Ms.
5 Connor working outside of regulatory affairs, the
6 relationship would stabilize. So Ms. Connor's
7 mediation was in November of 2017. I think she
8 started in her new position probably in December of
9 2017.

10 SR. SPECIAL AGENT LUINA: Okay.

11 MR. SHEA: And then we submitted the kirk
12 key LAR.

13 SR. SPECIAL AGENT LUINA: Or the LAR is in
14 '18, I think.

15 MR. SHEA: That's right, March of 2018.

16 SR. SPECIAL AGENT LUINA: There were some
17 other ECP investigations that occurred in '17. Do you
18 recall those?

19 MR. SHEA: I do.

20 SR. SPECIAL AGENT LUINA: And you received
21 some letters on those as well. This is June 12, 2017,
22 ECP 1700410, and my same question for that one is
23 there is corrective actions mentioned. Were those
24 corrective actions done, and if so, I need
25 documentation on that?

1 SR. SPECIAL AGENT LUINA: Do you see
2 (unintelligible).

3 MR. SHEA: I do see reference to the sea
4 high, which was by inference, Mr. McBrearty,
5 mischaracterization of his role in the 2016 reportable
6 issues that was the high pressure fire issue that I
7 was talking about (simultaneous speaking) --

8 SR. SPECIAL AGENT LUINA: Oh, that you were
9 talking about at the beginning. You feel like he
10 mischaracterized his back and write up?

11 MR. SHEA: Well, he -- no. He believed
12 that Ms. Henderson had mischaracterized his role in
13 the reportability aspect of that. And he continued to
14 carry that -- his frustration with his view of Ms.
15 Henderson's words in that situation forward.

16 SR. SPECIAL AGENT LUINA: Did he ever
17 mention that to you?

18 MR. SHEA: He did.

19 SR. SPECIAL AGENT LUINA: He did talk to
20 you about that.

21 MR. SHEA: He did.

22 SR. SPECIAL AGENT LUINA: He believed she
23 did what again? She characterized his actions during
24 that activity?

25 MR. SHEA: Let me go back to that.

1 SR. SPECIAL AGENT LUINA: I think I
2 remember that one, yes.

3 MR. SHEA: So I mentioned that that was an
4 issue where there was a plant condition, high pressure
5 fire water system --

6 SR. SPECIAL AGENT LUINA: It's the
7 reportability issue.

8 MR. SHEA: And the reportability evaluation
9 determination had played out over about a week's
10 period of time. Mike communicated to me at some point
11 at one of my engagements with him, that he had
12 understood that when -- well, I'm going to step back.
13 As a fleet operation we have a video conference
14 everyday, every working day, with the three sites and
15 the corporate office in which we discuss plant issues.
16 So corporate folks gather in a conference room and
17 video screen. Sites do the same. And so Sequoyah's
18 dealings with the higher pressure fire water issue
19 would have been a topic of conversation on that phone
20 call, not the regulatory aspect of it per se, just
21 with the system operable had it been restored.

22 When the phone calls, the video conference
23 closes, each organization stays in it's conference
24 room and have some follow-up discussions, any action
25 we need to go take, any (unintelligible), anything we

1 need to pursue. Mike has a view that he shared with
2 me, that in one of those, I'll call it after
3 discussions, during the week that I was going, he had
4 a view that the Chief Nuclear Officer, Joe Grimes, had
5 asked some question about the site's handling of some
6 aspect of the issue, and where ever Mike got the
7 information he has a view that Aaron's response to the
8 CNO were disparaging of Mike.

9 SR. SPECIAL AGENT LUINA: Okay.

10 MR. SHEA: I've had multiple conversations
11 with Erin on this, and her view is he was just being
12 responsive to the question that was being asked of
13 her. It was in the same vein that -- the same spirit
14 that the CNO was asking, and it was not -- the answer
15 wasn't -- the question wasn't leading to a disparaging
16 answer, and wasn't looking for one, and she view
17 didn't provide one.

18 SR. SPECIAL AGENT LUINA: Okay.

19 MR. SHEA: So whatever was communicated to
20 Mike, and I don't know what that pathway would have
21 been. He told me that he really felt upset at her for
22 a long period of time.

23 SR. SPECIAL AGENT LUINA: Okay.

24 MR. SHEA: Because he felt that she was
25 damaging his career. I, when I went out and talked to

1 him, assured him that he was still, as I mentioned,
2 viewed as a succession candidate, for example, the
3 director in EP, and that in my subsequent discussions
4 with the chief nuclear officer there was no negativity
5 around view of Mike's performance.

6 SR. SPECIAL AGENT LUINA: Okay.

7 MR. SHEA: From that issue, or relative to
8 his potential to move up. I attempted to address that
9 issue. I can -- but I'm communicating that he, he
10 Mike, made clear that he was very bothered by his
11 perception of what that conversation had been.

12 SR. SPECIAL AGENT LUINA: And you were not
13 at that meeting.

14 MR. SHEA: I was not.

15 SR. SPECIAL AGENT LUINA: Okay. Did you
16 know what was said by the CNO, or Erin to the CNO?

17 MR. SHEA: I don't.

18 SR. SPECIAL AGENT LUINA: Okay.

19 MR. SHEA: If I did that was a long time
20 ago, and I wasn't there.

21 SR. SPECIAL AGENT LUINA: Fair enough,
22 okay.

23 MR. SHEA: Relative to this, so that -- I
24 mean I have to go through my --

25 SR. SPECIAL AGENT LUINA: Oh, yes, course

1 of action.

2 MR. SHEA: -- files. There was -- don't
3 know if I actually did actions. There was, I think,
4 maybe three of these ECP.

5 SR. SPECIAL AGENT LUINA: Yes, yes. Those
6 are the same ones (simultaneous speaking.)

7 MR. SHEA: Don't know that I --

8 SR. SPECIAL AGENT LUINA: -- skip right
9 through.

10 MR. SHEA: -- took actions in response to
11 all of them, or not necessarily the recommended
12 actions in responded to all.

13 SR. SPECIAL AGENT LUINA: Yes. The -- just
14 to follow up if this (unintelligible), there's another
15 letter sent shortly after that one, September 12th,
16 2017. It's NEC 1700683. Again, it's a letter to
17 yourself. I'll just ask the same question. If it's
18 the same answer just let me know, we can follow up
19 after the interview.

20 MR. SHEA: I'll see about finding those.

21 SR. SPECIAL AGENT LUINA: Okay. It's
22 probably no sense, you know, we'll just close it all
23 out and do it that way.

24 MR. SHEA: Yes.

25 SR. SPECIAL AGENT LUINA: All right. My

1 understanding is there's another -- more of these, you
2 know, peer team calls. There was one on April 28th,
3 2017. Do you have that in your notes at all?

4 MR. SHEA: No.

5 SR. SPECIAL AGENT LUINA: Not with you.

6 MR. SHEA: 2017.

7 SR. SPECIAL AGENT LUINA: 2017. April
8 28th, 2017 there's a peer team call. My understanding
9 maybe during this phone call McBrearty brought up
10 similar concerns again from his CR about the decision
11 making process that was used in closing out the -- or
12 addressing the 2015 NCV's. Does this sound familiar
13 to you at all? And maybe I can give you some more
14 information if you need it.

15 MR. SHEA: Not as a matter of a CR does
16 that ring familiar, nor any particular peer team
17 meeting. That was repeated point of view, or point of
18 view that Mike repeated on a number of occasions out
19 there. He --

20 SR. SPECIAL AGENT LUINA: Is part of his
21 concern was it that we were not in compliance and, you
22 know, we're not doing anything. We're not doing
23 anything, not responding to the decision making
24 process, and we're not in compliance with the NRC. We
25 need to get back in compliance. Did he ever mention

1 that?

2 MR. SHEA: He did.

3 SR. SPECIAL AGENT LUINA: Okay.

4 MR. SHEA: He did, which is an appropriate
5 point of view for a regulatory affairs team to have.
6 So -- and the vulnerability that was in front of
7 Sequoyah, which he brought up was that ultimately if
8 the NRC came back for a problem identification to
9 resolution inspection, --

10 SR. SPECIAL AGENT LUINA: The INR, yes.

11 MR. SHEA: -- which at some point was on
12 the schedule. I don't recall, but he knew, and knew
13 that that was coming. That we would be subject to
14 some level of scrutiny, if not enforcement, for
15 untimely corrective action.

16 SR. SPECIAL AGENT LUINA: Yes.

17 MR. SHEA: And that, you know, an element
18 of the PIR inspection is looking back at corrective
19 actions in general to see if they're timely.

20 SR. SPECIAL AGENT LUINA: Sure, timely.

21 MR. SHEA: And sampling specifically
22 previous NRC violations, the corrective actions
23 associated with those. So as a process matter it's a
24 good point, it's an obvious point, right? You know,
25 that's what that PIR inspection is there for, so that

1 was a -- certainly a valid issue to raise.
2 Collectively we need to get to some place where we're
3 not unnecessarily exposed during upcoming PIR. No
4 disagreement with that. It was -- I never disagreed
5 with that. It was, again, all about the right
6 strategy to be successful, both in KER key (phonetic),
7 which was a licensed amendment, which ultimately
8 restored compliance, or another outage confirmed we
9 had been complying.

10 SR. SPECIAL AGENT LUINA: Okay. Did you
11 ever, you specifically, ever counsel or speak with Mr.
12 McBrearty about leaving Ms. Henderson off of meeting
13 invitations or emails? Was that ever an issue that
14 you had that you specifically addressed?

15 (Pause.)

16 And just for the record, Mr. Shea is, yes,
17 just perusing some, looks like some typed notes that
18 you kept or created, I guess, dealing with this
19 matter. Kindof like a timeline.

20 (Pause.)

21 MR. SHEA: I guess what I'd like to do is
22 I have a strong recollection about discussing that in
23 one or more settings. I'd like an opportunity to
24 review a number of (unintelligible) notes to --

25 SR. SPECIAL AGENT LUINA: Okay.

1 MR. SHEA: -- see if I can't recover that.
2 I don't know if you'd want to pause on that, or
3 whatever you want to -- whatever is the right way to
4 do that.

5 MR. CHANDLER: We could just pause that?

6 SR. SPECIAL AGENT LUINA: Yes, we can pause
7 it. Time is now 2:47 p.m., and we're going to take a
8 quick break while Mr. Shea reviews his notes.

9 (Whereupon, the above-entitled matter went
10 off the record at 2:47 p.m. and resumed at 2:57 p.m.)

11 SR. SPECIAL AGENT LUINA: Time is now 2:57
12 p.m., and we're back on the record. We just had a
13 quick break, let you review your notes. Did you find
14 any information you'd like to share dealing with the
15 question that I asked before we went off the record
16 with the --

17 MR. SHEA: The question you asked before
18 the off the record was related did I have any specific
19 conversation with Mike, or anyone regarding leaving
20 Erin off of emails.

21 SR. SPECIAL AGENT LUINA: Yes.

22 MR. SHEA: I reviewed my notes. I have a
23 series of notes on a series of conversations with Mike
24 and his management on a series of the topics we've
25 talked about today.

1 SR. SPECIAL AGENT LUINA: Okay.

2 MR. SHEA: None of my notes talk
3 specifically about emails, which is what I was looking
4 to see if I documented that, they don't. I do -- my
5 memory is that I talked to either Mike, or his boss,
6 which might have been Dennis Demopolis about the issue
7 with that, or Tony Williams, the site VP. Again, I
8 don't have any -- none of my notes document that
9 particular point.

10 SR. SPECIAL AGENT LUINA: Leaving her off
11 emails, or --

12 MR. SHEA: Correct.

13 SR. SPECIAL AGENT LUINA: -- or what about
14 meeting requests, or --

15 MR. SHEA: Nothing along those lines.

16 SR. SPECIAL AGENT LUINA: Okay. All right.
17 And what was the response from that when you provided
18 that information?

19 MR. SHEA: To the extent I brought it up it
20 would have been -- that's not -- that wouldn't be a
21 good way to have team alignment to selectively take --
22 put people on and off emails.

23 SR. SPECIAL AGENT LUINA: Right. Dennis or
24 Tony say they were able to address it with Mike, I
25 guess?

1 MR. SHEA: I don't recall enough about it
2 to be specific.

3 SR. SPECIAL AGENT LUINA: Okay. All right.
4 Okay, it's my understanding that in March of 2018 a
5 complaint was filed by Ms. Henderson dealing with Mr.
6 McBrearty. Are you aware of that?

7 MR. SHEA: Yes, I am.

8 SR. SPECIAL AGENT LUINA: Okay. Did she
9 come and talk to you about this before she submitted
10 it, or she submitted it directly to you, is my
11 understanding, I think?

12 MR. SHEA: She did submit it directly to
13 me.

14 SR. SPECIAL AGENT LUINA: To me, okay. And
15 what happened after she -- did she talk to you about
16 it prior to submitting it to you on March the 9th,
17 2018?

18 MR. SHEA: The --

19 SR. SPECIAL AGENT LUINA: The letter is
20 dated March 9th, 2018.

21 MR. SHEA: The relationship had been
22 deteriorating, and as we discussed and even in the
23 conversations I eluded to that I had with Mike and/or
24 his leadership acknowledge that that relationship was
25 in a deteriorated place. So that was occurring from

1 early 2018 forward.

2 SR. SPECIAL AGENT LUINA: Okay. It was
3 really deteriorated then.

4 MR. SHEA: That's right.

5 SR. SPECIAL AGENT LUINA: Okay.

6 MR. SHEA: That was subsequent to the
7 Connors settlement.

8 SR. SPECIAL AGENT LUINA: Yes.

9 MR. SHEA: So I have a note dated Friday,
10 March 2nd where Erin expresses to me -- she forwards
11 an email from Mike without the licensing KER key
12 upcoming weekly telecom, and she says I'm just about
13 done with these constant attacks from Mike. Please
14 address ASAP.

15 SR. SPECIAL AGENT LUINA: Do I have that?

16 MR. CHANDLER: March 2nd?

17 SR. SPECIAL AGENT LUINA: No.

18 MR. SHEA: I don't know.

19 SR. SPECIAL AGENT LUINA: Okay.

20 MR. SHEA: I've never seen that.

21 SR. SPECIAL AGENT LUINA: March 2nd 2018?

22 MR. SHEA: Yes, sir.

23 SR. SPECIAL AGENT LUINA: Okay.

24 MR. SHEA: So it's an email from Erin
25 Henderson to myself.

1 SR. SPECIAL AGENT LUINA: Yes, it's a
2 email, yes, dated March 2nd, 2018 from Erin to Joe,
3 Mr. Shea, and it says at the top, yes, I assume you
4 saw the update below. I'm just about done with the
5 constant attacks from Mike. Please address ASAP,
6 Erin.

7 MR. SHEA: And the update below, just to
8 help you be efficient, is on the second side of that
9 page it's that record of red text there.

10 SR. SPECIAL AGENT LUINA: This looks like
11 the email that she forwarded to you is an email Mike
12 had created and he sent it to Jim --

13 MR. SHEA: Of the peer team.

14 SR. SPECIAL AGENT LUINA: Yes, okay. The
15 Jim Paulkosky (phonetic), yes, John Johnson, Kim
16 Holvey (phonetic), Jim Kaugh (phonetic), Erin
17 Henderson, okay, (unintelligible) she was on it, Ed
18 Schroll (phonetic), Beth Whitfield (phonetic), Zachary
19 Kitts (phonetic), Scott Bowman (phonetic), Anthony Lee
20 Tate, and yourself, Joe Shea, right?

21 MR. SHEA: Right.

22 SR. SPECIAL AGENT LUINA: Okay. Jim I will
23 be on at (unintelligible) -- this was dated March 2nd,
24 2008. This is the same day, and then she forwarded it
25 to you (unintelligible) --

1 MR. SHEA: That's right.

2 SR. SPECIAL AGENT LUINA: --

3 (unintelligible), okay. And dealing with this on the
4 back, the KER key/EQ service life item.

5 MR. SHEA: Right.

6 SR. SPECIAL AGENT LUINA: Okay.

7 (Pause.)

8 And it's similar to what we've already
9 discussed, I think, during this whole meeting. Talked
10 to Laura, as I was approved (unintelligible.), okay.
11 And that's what she was referring to? That's she's
12 saying I've just about had it with these constant
13 attacks from Mike. She's talking about that --

14 MR. SHEA: So --

15 SR. SPECIAL AGENT LUINA: -- paragraph,
16 this last bullet?

17 MR. SHEA: That's correct.

18 SR. SPECIAL AGENT LUINA: Okay. So then --

19 MR. SHEA: And in context the --

20 SR. SPECIAL AGENT LUINA: You were going to
21 keep going with that.

22 MR. SHEA: I was. In context, the KER key
23 had been submitted, or was just about ready to be
24 submitted in March 2018, so --

25 SR. SPECIAL AGENT LUINA: I got it. It was

1 officially submitted on March 9th, 2018.

2 MR. SHEA: This was viewed red, and I
3 inferred from Erin's characterization that this was
4 revisiting the agitation with the strategy and the
5 timeliness of the strategy all along, but at this
6 point we were well along the road to actually being
7 successful in mitigating both of those issues.

8 SR. SPECIAL AGENT LUINA: Okay.

9 MR. SHEA: So Erin's frustration is we're
10 getting close to go, and these are not my words,
11 Scott, getting close to the goal line, why are we --
12 why is Mike hammering me on, you know, how we approach
13 this.

14 SR. SPECIAL AGENT LUINA: Okay. Then what
15 happened after the March 2nd email?

16 MR. SHEA: So on March 9th, Erin filed a
17 formal complaint to myself, and Amanda Poland, who's
18 the Director of Human Resources, approximate title, in
19 which he claimed that the actions of several
20 individuals are contributing to a hostile work
21 environment for our self, and Mr. McBrearty was one of
22 those individuals.

23 SR. SPECIAL AGENT LUINA: I have a copy of
24 that. That's the March 9th, 2018 one. What did you
25 do with that after you received it? What was your

1 involvement with her allegation at that time?

2 MR. SHEA: I discussed it with -- the man
3 that I discussed it with, my supervisor, David Duffin
4 (phonetic). I discussed it with the then CNO, Mike
5 Balduci (phonetic). Erin had expressed frustration to
6 the point of being prepared to leave the company.

7 SR. SPECIAL AGENT LUINA: Oh, well.

8 MR. SHEA: Absolutely. In fact, she had
9 come very close to leaving the company between March
10 2nd and March 9th.

11 SR. SPECIAL AGENT LUINA: Let me ask you,
12 this new -- you read off some of the titles.
13 Obviously, you've read that document before.

14 MR. SHEA: When she was complaining?

15 SR. SPECIAL AGENT LUINA: Yes,
16 (unintelligible)

17 MR. SHEA: Yes, sir.

18 SR. SPECIAL AGENT LUINA: Is there anything
19 in there, because you were here during this time
20 period, and, you know, since Erin has been here, and
21 you know these people, anything in there that you
22 think is factually incorrect, just way --

23 MR. SHEA: No.

24 SR. SPECIAL AGENT LUINA: No, okay. And
25 based on what you witnessed and observed that the

1 information in there -- yes, everything in there is
2 correct you can tell.

3 MR. SHEA: As far as I can tell.

4 SR. SPECIAL AGENT LUINA: Okay. You think
5 it's exaggerated at all, or mischaracterized at all in
6 your opinion?

7 MR. SHEA: Not a bit, not a bit.

8 SR. SPECIAL AGENT LUINA: So, I'm sorry, go
9 ahead and tell me you briefed your management about
10 it.

11 MR. SHEA: So then I, in conversation with
12 my manager and his boss, David and Michael, we
13 evaluated how to have the -- this particular complaint
14 investigated. And we discussed whether HR staff
15 should investigate it, or whether we should seek a set
16 of investigators who were new to the issue, had no
17 exposure to the players, to the back and forth. So we
18 agreed we would seek investigation out of the office
19 of general counsel.

20 SR. SPECIAL AGENT LUINA: Okay. That's
21 you, Balduci, and Duffin?

22 MR. SHEA: Yes. Okay. So I've got a
23 couple of notes starting with March 22nd or so during
24 which I recall that I ultimately was put in contact
25 with Jennifer Grace who was a managing attorney for

1 human resource labor issues, labor relation issues.
2 And got agreement that she would provide an
3 investigator to take the formal complaint, and
4 independently investigate it according to his
5 investigatory skills.

6 SR. SPECIAL AGENT LUINA: Okay. And then
7 what happened?

8 MR. SHEA: Then -- so the investigation was
9 ultimately performed. A series of folks were
10 interviewed. I've got some notes where I'm asking
11 Jennifer for the status, you know, is the investigator
12 -- has he developed a plan? When would I expect that
13 people are going to be contacted so I can be aware
14 that the investigation is ongoing? The investigation
15 naturally turns up questions among the staff, so I
16 just wanted a sense of when that was going to occur.

17 SR. SPECIAL AGENT LUINA: Yes.

18 MR. SHEA: Ultimately the investigator did
19 his investigation, and provided a report on March, or
20 May, I'm sorry, excuse me, May 25th, 2018.

21 SR. SPECIAL AGENT LUINA: All right. And
22 how did you get that report? Was it emailed to you,
23 I guess, how do you know that's May 25th?

24 MR. SHEA: The date's on the back.

25 SR. SPECIAL AGENT LUINA: Oh, okay.

1 MR. SHEA: He had the final report.

2 SR. SPECIAL AGENT LUINA: Yes.

3 MR. SHEA: This is the draft.

4 SR. SPECIAL AGENT LUINA: Is this a -- yes,
5 how was this provided to you, I guess? Was it
6 emailed, or given to you, or --

7 MR. SHEA: I don't recall. May 25th was a
8 Friday. I recall that on that Friday I believe I
9 recall my boss called me and indicated he had the
10 report.

11 SR. SPECIAL AGENT LUINA: (Unintelligible).

12 MR. SHEA: At that time I did not have a
13 report, but that he had received the report, read it,
14 and then engaged with the site senior leadership team
15 to communicate the results. I don't know whether he
16 had the report in hard copy. I don't know whether he
17 shared the report in hard copy. He just communicated
18 to me that he had discussed the results with site
19 leadership.

20 SR. SPECIAL AGENT LUINA: And what was
21 happening?

22 MR. SHEA: And that on that day it was
23 communicated to -- this is my recollection of what
24 Dave communicated to me, that on that day Mike's
25 management at Sequoyah had informed Mike that an

1 investigation had occurred and he had been found
2 culpable of some violations of standards. I'm using
3 a generic term, because I don't remember the details
4 of whether he was told it was a violation of law, or
5 this law or that law. And Mike was asked to leave the
6 site, and his access to the site was (Background
7 noise) -- at least it's not a grinding wheel, which is
8 -- that's every other day of the week, so. Very
9 difficult to do an interview with that.

10 SR. SPECIAL AGENT LUINA: So Duffin told
11 you all this over the phone.

12 MR. SHEA: Yes.

13 SR. SPECIAL AGENT LUINA: And was it -- so
14 prior to May 25th, 2018 did you have any results of
15 the investigation, or any updates on how the
16 investigation was going, or --

17 MR. SHEA: No, the investigator and
18 Jennifer were pretty good about allowing the
19 investigator to finish. I can't tell you whether in
20 the week or so before I had any contact with Jennifer
21 where she had indicated it was a draw -- a particular
22 conclusion about Mike or not, because there were
23 three, or four, or five people mentioned in the
24 complaint.

25 SR. SPECIAL AGENT LUINA: Yes.

1 MR. SHEA: So I wasn't a hundred percent
2 sure how the investigation report was going to
3 disposition each of those individuals.

4 SR. SPECIAL AGENT LUINA: Did you ever
5 mention any of the other people that called you?

6 MR. SHEA: I don't recall on that day.

7 SR. SPECIAL AGENT LUINA: On May 25th, all
8 right. But he told you this is what's happening, you
9 know, he's being escorted off site, and how it
10 happened.

11 MR. SHEA: Yes, correct. I mean, he called
12 me in --

13 SR. SPECIAL AGENT LUINA: So who made the
14 decision that that happen did he say, like, I made
15 this decision, or --

16 MR. SHEA: I don't recall that
17 specifically. He described the conclusions to me of
18 the report.

19 SR. SPECIAL AGENT LUINA: He didn't say,
20 you know, we briefed this chief nuclear officer, or
21 the CEO, or someone else?

22 MR. SHEA: Not at that time. We'll talk in
23 August. There was a series of discussions to align
24 all the way up through the senior leadership of the
25 company, but I don't recall on May 25th what degree of

1 information had been communicated about the details of
2 their conclusions, or to --

3 SR. SPECIAL AGENT LUINA: How did you get
4 this report?

5 MR. SHEA: I don't know if between then and
6 the next week I was emailed a copy, or provided a hard
7 copy.

8 MR. CHANDLER: Could you check your email
9 when you get a chance? If you can (unintelligible).

10 MR. SHEA: I'll check it again. I didn't
11 find it the other night, Chris, --

12 MR. CHANDLER: Okay.

13 MR. SHEA: -- to see how it got there, but,
14 but --

15 SR. SPECIAL AGENT LUINA: (Unintelligible)
16 the date I have on the one I have --

17 MR. CHANDLER: It's probably August. It's
18 going to be August something, August 10TH, I think.
19 Yes, it sounds right. So --

20 SR. SPECIAL AGENT LUINA: Yes.

21 MR. SHEA: So --

22 SR. SPECIAL AGENT LUINA: Can I get a copy
23 of this draft too just to make sure (unintelligible.)

24 MR. SHEA: Sure, yes.

25 SR. SPECIAL AGENT LUINA: Okay. You'll

1 need that back for your records.

2 MR. SHEA: So there were --

3 SR. SPECIAL AGENT LUINA: Sorry, don't want
4 to move past this too quickly. Tell me again what
5 Duffin told you when he called you. Do you have it
6 documented in any way, notes, (simultaneous speaking).

7 MR. SHEA: I don't. My recollection is I
8 was driving at the time.

9 SR. SPECIAL AGENT LUINA: Okay. So were
10 you going to lunch, were you off work, or --

11 MR. SHEA: No, I don't have any lunch.

12 SR. SPECIAL AGENT LUINA: You already had
13 no. So after the lunch --

14 MR. SHEA: (Simultaneous speaking) travel
15 a day (unintelligible.)

16 SR. SPECIAL AGENT LUINA: Okay. It was --

17 MR. SHEA: Day before Memorial Day.

18 SR. SPECIAL AGENT LUINA: Yes. So you
19 definitely --in the afternoon you'd say, after --

20 MR. SHEA: Yes.

21 SR. SPECIAL AGENT LUINA: -- two or three
22 o'clock or something?

23 MR. SHEA: Yes.

24 SR. SPECIAL AGENT LUINA: Okay. So -- and
25 I'm going to ask you again, I'm sorry. So prior to

1 that you had no knowledge that -- you have any
2 discussions with Duffin, or Balduci, or anyone about
3 actions to be taken against --

4 MR. SHEA: Honestly, Scott, I don't,
5 because there was a lot of discussion that occurred
6 after this.

7 SR. SPECIAL AGENT LUINA: Okay.

8 MR. SHEA: After the draft -- that if there
9 was any specific indication that the investigator or
10 his boss was providing I'm not recalling that.

11 SR. SPECIAL AGENT LUINA: Okay.

12 MR. SHEA: I'm not saying it didn't occur
13 or did occur, I just don't recall.

14 SR. SPECIAL AGENT LUINA: Okay. All right.
15 Well before we move past May, let me just ask you
16 about something else real quick, okay? It's my
17 understanding that in early May, yes, we've got about
18 -- on May 7th, in particular, there was a, and it
19 might have been in relation to that email you just
20 showed me earlier, a peer team, under the peer team
21 call on May 7th, 2018, and if I try to get the agenda
22 or something for that, and that you were on the call
23 and Henderson was on the call is my understanding.
24 And during this call, McBrearty brought up again about
25 the MCV's, and the lack of responding (unintelligible)

1 licensing. This sound familiar so far? I can keep
2 going.

3 MR. SHEA: Honestly it was a recurring
4 theme, so the peer team meetings are weekly, and it
5 recurred from time to time.

6 SR. SPECIAL AGENT LUINA: I understand.

7 MR. SHEA: When Mike was there.
8 (Unintelligible) he delegated it to John Johnson to
9 participate in the call.

10 SR. SPECIAL AGENT LUINA: Okay. And while
11 McBrearty was bringing up some of these concerns with
12 the (unintelligible) licensing, but that you were
13 making statements such as -- are you saying there's a
14 problem with David Duffin's organization to Mike.
15 Does that comment sound familiar?

16 MR. SHEA: Not in the absence of any
17 context.

18 SR. SPECIAL AGENT LUINA: Saying that all
19 of McBrearty's examples he was giving, because he laid
20 out different examples too, there were other problems,
21 other issues that he identified through
22 (unintelligible) that I can pull out if I need to to
23 help remind you. That he was saying -- that you were
24 saying, you now, these are all within Duffin's
25 organization. Are you -- again, are you saying that

1 there's a problem within, you know David Duffin's
2 organization since he owns licensing?

3 MR. SHEA: I don't -- I just don't have a
4 recollection of that, --

5 SR. SPECIAL AGENT LUINA: Okay.

6 MR. SHEA: -- you know, that occurring one
7 way or the other.

8 SR. SPECIAL AGENT LUINA: Okay, let me try
9 this again. Let you look at this then. I'll read you
10 some of these, maybe that'll help jog your memory.

11 (Pause.)

12 Got it within reach, trust me.

13 (Pause.)

14 2018, May 7th, 2018, yes, maybe saying that, you know,
15 that suggest a corporate review, and conduct a common
16 cause evaluation of recent, over the past two or three
17 years, issues that have resulted in site significant
18 regulatory exposure violations, or loss of regulatory
19 margin, and which appear to have a strong corporate
20 fingerprint. Failing to respond to Sequoyah 2015 Mod
21 inspection NCV's for over two years, white finding
22 that Sequoyah for uncontrolled SGI, individual cite
23 NCV's for recent uncontrolled SGI, 50.9 violation
24 assisted response to Watts Bar, CWEL, chilled work
25 environment letter, ultimately leading to the 2017

1 (unintelligible) order data omitted from the RAP plan,
2 which resulted in individual sit NCV's, recent data
3 omitted from EPIP resulting in potential GTG findings
4 at VFN and Watts Bar. These sound like similar --

5 MR. SHEA: Yes, I recognize all of those
6 issues, yes.

7 SR. SPECIAL AGENT LUINA: Issues. So maybe
8 something that Mike was bringing up on the phone call,
9 and then comments such as, like I said, are you saying
10 there's a problem? Basically it's Mike and
11 (unintelligible) suggestion for a corporate common
12 cause evaluation, the problems (unintelligible). And
13 that's, again, the question during that phone call.
14 It's been alleged to me that during that phone call,
15 there were comments from yourself, you know, you
16 saying there's a problem with David Duffin's
17 organization, you know, to Mr. McBrearty. And I'm
18 just asking if that actually occurred or not from your
19 recollection.

20 MR. SHEA: I don't recall responding that
21 way. I don't recall one way or the other. Those
22 issues that you had gone through, organizations that
23 are -- I had only become responsible for security and
24 EP in late 2017, so before that they worked for Dave,
25 through a different manager. So they were issues, as

1 he was (unintelligible) them, that went outside of
2 just the corporate regulatory affairs scope.

3 SR. SPECIAL AGENT LUINA: Okay. So, in
4 context that if, in fact, I said that that way, it
5 would have been asking whether he was looking for us
6 to look at the regulatory organization's performance
7 and behaviors, or to look broader across Dave Duffin's
8 organization, which goes beyond the regulatory you're
9 saying.

10 MR. SHEA: It, I mean, it did now all of
11 those organizations worked for me, and they did, but
12 some of the issues he was mentioning may have preceded
13 my (unintelligible). That's the best -- if I said
14 that that's the best context I would put on that.

15 SR. SPECIAL AGENT LUINA: But I guess --

16 MR. SHEA: (Unintelligible.)

17 SR. SPECIAL AGENT LUINA: -- during that
18 same -- during that phone call did you maybe recommend
19 that this be added to the monthly face-to-face peer
20 meeting? Move to the monthly.

21 MR. SHEA: I could have.

22 SR. SPECIAL AGENT LUINA: You could have.

23 MR. SHEA: That would be not an uncommon --
24 the peer team call is an hour. The monthly face to
25 face is typically five to six hours.

1 SR. SPECIAL AGENT LUINA: Yes.

2 MR. SHEA: So the peer team face-to-face
3 meeting on a monthly basis is a forum for more
4 extended and extracted and protracted discussions.

5 SR. SPECIAL AGENT LUINA: If something
6 rises up during that meeting that needs further
7 discussion you might say let's do this on a monthly,
8 or something.

9 MR. SHEA: We provided one of the agendas
10 to --

11 SR. SPECIAL AGENT LUINA: No, I'm going to
12 have to look and actually find that one, yes.

13 MR. SHEA: The phone call is a lot of
14 material to go through anyhow.

15 SR. SPECIAL AGENT LUINA: Yes.

16 MR. SHEA: The monthly peer teams are --
17 agenda allows for an hour of discussions and the
18 topic, or 45 minutes.

19 SR. SPECIAL AGENT LUINA: And then do you
20 recall if Erin Henderson disagreed with that?

21 MR. SHEA: I don't recall the call to begin
22 with.

23 SR. SPECIAL AGENT LUINA: I'm going to ask
24 you anyway.

25 MR. SHEA: I understand.

1 SR. SPECIAL AGENT LUINA: And then -- I was
2 told maybe it would help jog your memory, and that
3 maybe she opined that these were, in her opinion,
4 legacy, or just, you know, old issues that don't need
5 to be dragging them back up. Does that sound familiar
6 to you at all?

7 MR. SHEA: Again, I don't recall. I don't
8 recall her saying that, the issue that you described.
9 (Unintelligible).

10 SR. SPECIAL AGENT LUINA: Okay. And then
11 we jump to May 25th. And then, I guess, after that
12 phone call with Duffin, and you explained that, when
13 that occurred and what he said to you. And just one
14 more time, did you have any role in the decision, or
15 did you make the decision to send Mr. McBrearty home
16 on admin leave that day?

17 MR. SHEA: I did not make that decision,
18 nor did I have a role in that decision.

19 SR. SPECIAL AGENT LUINA: You weren't
20 involved in discussions with that, or hey what do you
21 think, Joe, we're going to do this.

22 MR. SHEA: There was -- no.

23 SR. SPECIAL AGENT LUINA: Nothing like
24 that.

25 MR. SHEA: It was called by my boss and

1 informed --

2 SR. SPECIAL AGENT LUINA: That this is
3 happening.

4 MR. SHEA: -- this is what had happened, or
5 was happening, yes.

6 SR. SPECIAL AGENT LUINA: Okay. If you
7 want to you can quickly kind of -- so after that,
8 after May 25th, you said there was some more
9 discussions and stuff that you maybe have some better
10 notes on, or (simultaneous speaking.)

11 MR. SHEA: Yes, there were some discussions
12 with Mike McBrearty's boss, Al Dodds (phonetic) out at
13 Sequoyah, who was the Director of Plant Support, is
14 Director of Plant Support. And I got notes that he
15 was expressing some concerns on May 25th, and May
16 30th, and down through June 4th. And so in that
17 period of -- so he was, like, the boss, --

18 SR. SPECIAL AGENT LUINA: Yes.

19 MR. SHEA: -- and would have either been
20 made informed by David, or before or after the fact,
21 I'm not sure that, in fact, I think it was Mr. Dodds
22 who had to actually communicate to Mike that he was --
23 the investigation had been conducted, and he had been
24 identified as -- been found culpable and actually had
25 to do the walking off site. So the conversations in

1 May and early June between myself and Mr. Dodds, and
2 Mr. Dodds and others, was that he felt he had no idea,
3 maybe little idea, but maybe no idea that that
4 investigation was going on.

5 SR. SPECIAL AGENT LUINA: Gaza (phonetic)
6 didn't.

7 MR. SHEA: That's right.

8 SR. SPECIAL AGENT LUINA: Okay.

9 MR. SHEA: So he was, at the minimum,
10 surprised on the 25th that that had occurred, and
11 there was a point in time after that, when he either
12 was provided a copy of the report itself, or briefed
13 on it when he had some concerns about the completeness
14 of the -- how all of the issues that had been
15 investigated have been analyzed and dispositioned and
16 documented. And so he understood that the conclusions
17 of a report like that would have to be taken into an
18 HR process, a discipline process, a proceduralized
19 process, and that he as the employee's manager would
20 be the person on point to have to carry that through
21 the process. He, you know, his, I'll say impressions,
22 but discussion with me was that he felt disadvantaged
23 to do that, and even not sure whether, having not seen
24 the report initially, known what was going on, that it
25 was even a conclusion he supported until he knew more

1 about it.

2 SR. SPECIAL AGENT LUINA: Okay.

3 MR. SHEA: So, --

4 SR. SPECIAL AGENT LUINA: That was his
5 initial month.

6 MR. SHEA: Right.

7 SR. SPECIAL AGENT LUINA: Okay.

8 MR. SHEA: And as part of his concerns were
9 that there were -- while the report explored the
10 harassing element of the complaint, the issues that
11 were brought up, the issues about CR's being written
12 and responded to. One organization is under
13 responsiveness to compliance, restoring compliance,
14 those were striking him as activities that if
15 McBrearty had, in fact, void them, they themselves
16 might be protected. And he was unsure from his --
17 either what he had been briefed, or ultimately when he
18 read the report, whether they had been adequately
19 explored and documented. So he, again, felt
20 frustrated as the supervisor on point to carry the
21 issue through to this process.

22 SR. SPECIAL AGENT LUINA: Okay. And then
23 are you involved in this discipline process? Are you
24 -- what's happening? You're just talking to Mr. Dodds
25 at this point, are you involved in any meetings or

1 discussions about --

2 MR. SHEA: So the site would have the lead
3 on that process. By process I would not be the person
4 who does the HR fact finding documents, does the
5 analysis for safety conscious work environment
6 impacts, (unintelligible) mitigation, the things we're
7 required to do by the confirmatory, or eluded to.

8 SR. SPECIAL AGENT LUINA: Yes.

9 MR. SHEA: Ultimately if an action of a
10 certain level, like a suspension, or above had been
11 contemplated. The process would have driven the
12 Executive Review Board. That ultimately never
13 occurred.

14 SR. SPECIAL AGENT LUINA: Okay.

15 MR. SHEA: But by process I probably would
16 not have been a required member of that, because the
17 individual didn't work for me.

18 SR. SPECIAL AGENT LUINA: Okay.

19 MR. SHEA: But to the extent that Al -- So
20 Al in his role as Director of Plant Support does have
21 a stake in the regulatory affairs performance, so I
22 wanted to make sure I understood what his concerns
23 were, and in part communicate those back to OGC. I
24 felt a little bit Al was -- I understood his concerns.
25 I felt he was actually being relatively ineffective,

1 and actually didn't disagree with the questions he was
2 asking, and the points he was making, but I thought he
3 was being ineffective in communicating that back to
4 the investigating team. So I -- Yes, so I helped --

5 SR. SPECIAL AGENT LUINA: You weren't
6 involved in that. You weren't communicating Dodd's
7 concerns back to --

8 MR. SHEA: I was.

9 SR. SPECIAL AGENT LUINA: To OGC, or --

10 MR. SHEA: I did.

11 SR. SPECIAL AGENT LUINA: Okay.

12 MR. SHEA: Three were several conversations
13 with that regard. Again, I viewed myself as you have
14 a manager who is struggling to take an investigation
15 report, and take it through the process, it involves
16 an employee of mine who filed a complaint. So I have
17 a stake in making sure that the process is followed,
18 and the process is -- we're in the process, or
19 (unintelligible), so that's why I helped communicate
20 his concerns back to OGC.

21 SR. SPECIAL AGENT LUINA: Okay.

22 MR. SHEA: Ultimately then on August 10th
23 is when the general counsel issued in writing to me
24 the formal, final report.

25 SR. SPECIAL AGENT LUINA: The 10th?

1 MR. SHEA: Yes. And it was -- I presume
2 that it was provided to me because I was the
3 supervisor of the complainant.

4 SR. SPECIAL AGENT LUINA: I understand,
5 yes.

6 MR. SHEA: Yes.

7 SR. SPECIAL AGENT LUINA: Okay. And what
8 did you do after you received it?

9 MR. SHEA: So that -- we received that on
10 August 10th. On August 16th there was a meeting that
11 was held out at, happened to be held at the Sequoyah
12 site, where a collection of senior executives, to
13 include the general counsel, to include the chief
14 generation officer, Joe Grimes.

15 SR. SPECIAL AGENT LUINA: Yes, can you tell
16 me who was there, I guess. Do you have notes on that,
17 or --

18 MR. SHEA: I don't have notes. I had the
19 schedule. I can get that by -- we can get you the
20 complete list, but so Joe Grimes would have been the
21 chief generation officer, he's a direct report to the
22 CEO. Sherry Kurk (phonetic), the general counsel, the
23 direct report to the CEO, Mike Balduci, the chief
24 nuclear officer, David Duffin, my boss, Tommy
25 Williams, Sequoyah site vice president, a number of

1 key HR individuals, we'll get that list, senior
2 managers, executives in HR.

3 SR. SPECIAL AGENT LUINA: And what -- was
4 this ARB? What was this meeting?

5 MR. SHEA: This was a -- it was a meeting
6 to get alignment on the recommendation that had been
7 made -- that was general counsel's work. We are
8 prepared to recommend termination for Mr. McBrearty
9 based on their findings.

10 SR. SPECIAL AGENT LUINA: Can I get a copy
11 of that? I don't think I have (simultaneous speaking)
12 --

13 MR. SHEA: I'm not sure about that. Let me
14 take that under advisement. That may constitute legal
15 advice from the general counsel, so I'll make a note
16 and then I'll get his approval to you.

17 SR. SPECIAL AGENT LUINA: Yes.

18 MR. SHEA: Let me just validate that one
19 first, but --

20 SR. SPECIAL AGENT LUINA: Okay. All right.

21 MR. SHEA: Okay.

22 SR. SPECIAL AGENT LUINA: All right, so you
23 all get together August 16th based upon
24 (unintelligible) to get to an alignment or agreement.

25 MR. SHEA: That's right.

1 SR. SPECIAL AGENT LUINA: And that pushed
2 you --

3 MR. SHEA: And that was -- it was either at
4 that meeting, if I recall, that's where Tony Williams
5 informed us that he had been informed by Mike
6 McBrearty that he was resigning. So that occurred on
7 the same day.

8 SR. SPECIAL AGENT LUINA: Do you know if
9 Tony Williams told him that they were recommending he
10 be terminated?

11 MR. SHEA: I don't know that. I had heard
12 that at one point. I couldn't even remember who
13 suggested that that had occurred, but I absolutely
14 don't know that.

15 SR. SPECIAL AGENT LUINA: Okay. You never
16 asked Tony that in no part of that meeting. It's kind
17 of strange that on the same day you guys are having a
18 meeting to decide that he resigned. Just coincidence?

19 MR. SHEA: Well you said it was strange.

20 SR. SPECIAL AGENT LUINA: Yes.

21 MR. SHEA: Indeed.

22 SR. SPECIAL AGENT LUINA: Okay. All right.
23 Then -- and that's it then, right? Anything after
24 that? You got any involvement? Once you all heard
25 that information did you all continue to discuss and

1 align, or do anything?

2 MR. SHEA: There was -- sure we went
3 through it, because it talked about other individuals.
4 There was a question raised about my own culpability,
5 and had I allowed this situation, if you will, to
6 fester for too long. So, you know, that question was
7 explored --

8 SR. SPECIAL AGENT LUINA: It's in the
9 report, yes.

10 MR. SHEA: It's in report, and there's a
11 response back to that, you know, that we committed in
12 that meeting that my boss would respond to that, so we
13 provided that back to the general counsel.

14 SR. SPECIAL AGENT LUINA: Could I get a
15 copy of that too?

16 MR. SHEA: Yes, I don't know if I've ever
17 seen that, so --

18 SR. SPECIAL AGENT LUINA: Yes, Slater write
19 about that in there too, that there was a failure upon
20 management to --

21 MR. SHEA: Yes.

22 SR. SPECIAL AGENT LUINA: -- but I guess
23 prevent -- protect Henderson is pretty much
24 (simultaneous speaking).

25 MR. SHEA: That was the element to that

1 discussion.

2 SR. SPECIAL AGENT LUINA: Okay.

3 MR. SHEA: There was subsequent discussions
4 about did we need to proceed with the ERB process,
5 because that had been the point value that we had been
6 thinking going into there, we're going to have to take
7 this report and go through a process, and, you know,
8 come to a formal conclusion on discipline, and the
9 mitigation steps for a safety conscious work
10 environment. But ultimately because the individual
11 occurred, I don't think the ERB was actually held for
12 that matter. We did subsequently take action to do
13 what's called mitigation and communicate, I'm thinking
14 in the October, November time frame, months after Mike
15 had left, you know, that there had been an
16 investigation, and it had some conclusions that
17 related to one employee harassing another, and, you
18 know, then reminded everybody that raising an ethical
19 concern, like the HR investigation back in 2016, was
20 itself protected, and you got to be careful in
21 complaining about those things, because you can be
22 complaining about someone who's doing their job to
23 have an ethical issue looked at. So we had that
24 ultimate mitigation sometime after Mike left. That
25 would have been with the corporate staff. I did it

1 with the corporate staff.

2 SR. SPECIAL AGENT LUINA: At this alignment
3 meeting, was it decided at that alignment meeting,
4 even though you had the information that Mike may be
5 resigning in lieu of this sounds like, but still
6 decided, hey, let's go around the room, does everyone
7 agree with termination, or does anyone disagree, or
8 if we go to ERB let's recommend this instead of that,
9 or any discussions like? Who led the meeting? Was it
10 Duffin, or who's -- the highest ranking person there
11 was probably Johnny.

12 MR. SHEA: Well, Sherry and Joe were our
13 peers.

14 SR. SPECIAL AGENT LUINA: Oh, Sherry and
15 Joe are peers, the OGC Sherry?

16 MR. SHEA: Yes.

17 SR. SPECIAL AGENT LUINA: And Joe Grimes,
18 okay.

19 MR. SHEA: I recall that Sherry kicked it
20 off. I don't recall if she led the whole discussion
21 through, or turned part of it over to Jennifer to
22 describe the results. So, you know, there was a --
23 the general counsel's office facilitated an element of
24 the discussion, but HR was part of the discussion, so
25 was the line management. When you asked about polling

1 around the room, --

2 SR. SPECIAL AGENT LUINA: Yes.

3 MR. SHEA: -- the only polling I
4 specifically remember was kind of at the end of the
5 meeting. Is there anything else. It was one of those
6 is there anything else we need to be doing with this
7 report, but Tony had already reported out that Mike
8 was -- had informed him he was going to resign.

9 SR. SPECIAL AGENT LUINA: Oh, during that
10 -

11 MR. SHEA: Yes.

12 SR. SPECIAL AGENT LUINA: -- in the
13 meeting, okay. And then --

14 MR. SHEA: To the best I recall that
15 meeting.

16 SR. SPECIAL AGENT LUINA: Was anybody
17 taking notes, or meeting minutes, or any of that kind
18 of stuff in the meeting? Was there --

19 MR. SHEA: Not that I recall. There's not
20 meeting summaries that I'm aware of.

21 SR. SPECIAL AGENT LUINA: Meeting summary
22 or something like that. Okay. Make sure I got all
23 this. All right. Is there anything I haven't asked
24 you about today that you feel is relevant to this
25 matter to bring up now?

1 MR. SHEA: (No audible response.)

2 SR. SPECIAL AGENT LUINA: I guess just real
3 quick, did you -- you read through the OGC report.

4 MR. SHEA: I did.

5 SR. SPECIAL AGENT LUINA: I'll ask you the
6 same thing I asked you about Henderson's complaint, is
7 there anything in there that's just factually
8 incorrect to you that you noticed, like, this is not
9 right at all?

10 MR. SHEA: No, there's nothing in here that
11 I saw as --

12 SR. SPECIAL AGENT LUINA: Okay. Do you
13 agree with the conclusions of that report of the type
14 of environment that was going on here with Henderson?

15 MR. SHEA: As far as it characterizing the
16 environment, yes, it is accurate. There are
17 conclusions about violations of the law, which I don't
18 have the background to know whether that's framed and
19 evaluated properly, but I could follow the discussion,
20 and follow how the -- what I know about the
21 environment itself, you know, could lead to a concern
22 for each of those, the laws and policies that we
23 talked about.

24 SR. SPECIAL AGENT LUINA: Okay. All right.
25 Well, again, is there anything else that I haven't

1 asked you about that you want to bring up today?
2 We've covered a lot of ground, but I'll let you have
3 the final word if there is something like that.

4 MR. SHEA: I don't think so.

5 SR. SPECIAL AGENT LUINA: Okay. If you
6 think of anything

7 MR. SHEA: Yes.

8 SR. SPECIAL AGENT LUINA: -- you got my
9 card, contact Chris through me, and we'll have all
10 those follow ups together (simultaneous speaking) --

11 MR. CHANDLER: Yes, and I probably, Scott,
12 will go through and kind of summarize these.

13 SR. SPECIAL AGENT LUINA: Yes.

14 MR. CHANDLER: And we can go back and forth
15 to make sure that we've got a agreement on what the
16 full list is. Hopefully we've crossed a few off
17 already here, so.

18 SR. SPECIAL AGENT LUINA: Yes, I got a
19 couple --

20 MR. CHANDLER: Yes.

21 SR. SPECIAL AGENT LUINA: -- in there,
22 okay. All right. Well if there's nothing else I'm
23 going to go ahead and read this. I'm going to ask
24 questions we ask everyone. Have I or any
25 representative of the NRC threatened you in any manner

1 today?

2 MR. SHEA: No.

3 SR. SPECIAL AGENT LUINA: Have you been
4 offered any reward, or compensation in return for the
5 information that you have provided during this
6 interview?

7 MR. SHEA: No.

8 SR. SPECIAL AGENT LUINA: Have you provided
9 the information freely and voluntarily?

10 MR. SHEA: I provided it freely and
11 voluntarily.

12 SR. SPECIAL AGENT LUINA: Okay. Anything
13 else you'd like to add to the record at this time?

14 MR. SHEA: Just as with any interview that
15 going back over three or four years, memories of
16 conversations are to the best of my recollection of
17 those things. And, you know, as I stated throughout
18 the interview, so.

19 SR. SPECIAL AGENT LUINA: Okay. That's it.
20 The time is now 3:40 p.m. on March the 28th, 2019, and
21 this interview is concluded.

22 (Whereupon, the above-entitled matter went
23 off the record at 3:40 p.m.)

24

25

CERTIFICATE

This is to certify that the attached proceedings before the United States Nuclear Regulatory Commission in the matter of:

Name of Proceeding: Interview of
Joseph Shea

Docket Number: 2-2018-033

Location: Chattanooga, TN

were held as herein appears, and that this is the original transcript thereof for the file of the United States Nuclear Regulatory Commission taken by me and, thereafter reduced to typewriting by me or under the direction of the court reporting company, and that the transcript is a true and accurate record of the foregoing proceedings as recorded on tape(s) provided by the NRC.



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