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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
+ + + + +
OFFICE OF INVESTIGATIONS
INTERVIEW

-----X
IN THE MATTER OF: :
INTERVIEW OF : Docket No.
CONNIE CARTER : 1-2003-045
(CLOSED) :
-----X

Thursday, June 10, 2004
Human Resources Dept
Building TB2
Salem Hope Creek Nuclear
Station
Hancock's Bridge, NJ

The above-entitled interview was conducted
at 10:48 a.m.

BEFORE:
Senior Special Agent JEFF TEATOR

2003 - 045

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EXHIBIT 61
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1 APPEARANCES:

2 On Behalf of the Witness and PSEG Nuclear:

3 JEFFRIE KEENAN, Esquire

4 Assistant General Solicitor

5 PSEG

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

(10:48 a.m.)

SR. SPECIAL AGENT TEATOR: It's 10:48 in the morning. And this morning I am doing a reinterview of Mr. Connie Carter. This interview is taking place in the Human Resources Department in building TB2 at Salem Hope Creek nuclear generating station.

Mr. Carter, you're being reinterviewed again as just a fact witness, but after our last interview, you reviewed some additional records, which we kind of talked about during the interview. And you're going to provide testimony today as to what those documents mean.

You are still represented by counsel today. Counsel, is the representation the same as it was previously?

MR. KEENAN: Yes, it is.

SR. SPECIAL AGENT TEATOR: Is that your understanding, Mr. Carter?

MR. CARTER: Yes, that's correct.

SR. SPECIAL AGENT TEATOR: Do you want to go forward with counsel present?

MR. CARTER: Right. Yes, I do.

SR. SPECIAL AGENT TEATOR: All right.

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1 This is voluntary again. Knowing it is voluntary, do
2 you wish to go forward?

3 MR. CARTER: Yes, I do.

4 SR. SPECIAL AGENT TEATOR: Do you have any
5 objection this morning to providing sworn testimony?

6 MR. CARTER: No, I do not.

7 SR. SPECIAL AGENT TEATOR: Raise your
8 right hand for me, please? Mr. Carter, do you swear
9 that the information that you are about to provide to
10 me is the truth, the whole truth, and nothing but the
11 truth?

12 MR. CARTER: Yes, I do.

13 SR. SPECIAL AGENT TEATOR: Thank you.

14 Jeff, why don't you go ahead and begin
15 your discussion about these accounting documents with
16 your client, please?

17 MR. KEENAN: Yes.

18 SR. SPECIAL AGENT TEATOR: Then I'll have
19 some questions.

20 MR. KEENAN: Again, Jeff, we appreciate
21 the opportunity to provide some clarity.

22 Connie, in the last interview, you
23 provided some testimony relative to what you thought
24 had occurrence with Mike Friedlander's organization
25 and specifically how his personnel were going to be

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1 treated from an accounting perspective.

2 After that interview, you did some
3 research and provided me some documents, which I
4 provided to Mr. Teator, which I think has changed your
5 recollection. And I wanted you to explain that --

6 MR. CARTER: Right.

7 MR. KEENAN: -- on the record.

8 MR. CARTER: Okay.

9 MR. KEENAN: If you could do so, that
10 would be appreciated.

11 MR. CARTER: We had had the discussion
12 last time as to the head count reduction issue at
13 nuclear and specifically in Mike Friedlander's cost
14 centers.

15 I had thought or I testified last time
16 that the head count reduction was taken into
17 consideration and was part of Mike Friedlander's 2003
18 budget. In other words, the head count reduction
19 reduced the budget by X amount of bodies.

20 What I found out after further
21 investigation is that the head count was not reduced,
22 that the people that were eventually let go were, in
23 fact, included in his budget and at that time had not
24 been identified as being part of the workforce
25 reduction. So I wanted to clarify that.

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1 SR. SPECIAL AGENT TEATOR: Okay. I
2 appreciate that. Jeff?

3 MR. KEENAN: That was just the very narrow
4 aspect we wanted to clarify. One more area. Connie
5 was also requested to get some information on dollars
6 spent per GAAP.

7 SR. SPECIAL AGENT TEATOR: Okay.

8 MR. CARTER: I had provided some
9 information that I had received from our procurement
10 folks on GAAP. And I had provided that to you, Jeff,
11 yesterday.

12 But Connie also just provided me this
13 morning some orders which show how much we had spent
14 per GAAP in 2002. So I would just ask if Connie also
15 could explain that document.

16 MR. CARTER: Right. What I did, Jeff, is
17 I went back and looked at -- ran some accounting
18 reports to look at the expenses for 2002 to the GAAP
19 purchase order. What I found out is that in 2002, we
20 had planned to spend \$375,000 for the GAAP initiative.

21 SR. SPECIAL AGENT TEATOR: Right.

22 MR. CARTER: We ended up spending
23 \$985,000, which picked up -- you know, as initiatives
24 were identified during the year, we, of course, added
25 those as change orders to the original order.

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1 SR. SPECIAL AGENT TEATOR: Okay.

2 MR. CARTER: The 375,000, as I said
3 previously, that was actually planned back in late
4 2002 -- or 2001. I'm sorry.

5 SR. SPECIAL AGENT TEATOR: Right.

6 MR. CARTER: So somewhere in between, of
7 course, that time and the end of the year 2002, there
8 were a lot of additional initiatives added to the
9 original scope.

10 SR. SPECIAL AGENT TEATOR: Were there any
11 purchase orders for GAAP for the year 2003?

12 MR. CARTER: No, there was not. The work
13 was essentially over, completed in the year 2002.

14 SR. SPECIAL AGENT TEATOR: Okay.

15 MR. CARTER: There was no expenses.

16 SR. SPECIAL AGENT TEATOR: All right.
17 Jeff, anything else?

18 MR. KEENAN: No, nothing further.

19 SR. SPECIAL AGENT TEATOR: Connie, I don't
20 have anything else, but I do appreciate you coming
21 back and bringing the documents and clarifying some
22 things for me.

23 MR. CARTER: You're quite welcome.

24 SR. SPECIAL AGENT TEATOR: Is there
25 anything you want to add?

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1 MR. CARTER: No.

2 SR. SPECIAL AGENT TEATOR: Okay. It's
3 10:54. This interview is concluded. Thanks.

4 (Whereupon, at 10:54 a.m., the foregoing
5 matter was adjourned.)
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