

GOVERNMENT ACCOUNTABILITY PROJECT

Institute for Policy Studies

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March 15, 1981

Mr. James McCarten
United States Nuclear Regulatory
Commission
Region III
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Dear Mr. McCarten:

Please excuse my delay in getting back to you after our February 26, 1981 meeting. I have been tied up on several other cases. At the meeting I promised to check with journalist Mark Hertzgaard about sharing his work notes, since he spoke at length with several key witnesses. For example, he interviewed Mr. James Tyner, who mixed general reassurances about Zimmer with scathing, highly-insightful criticisms of specific practices. Mr. Hertzgaard spoke with the witness who reported a 39% rejection rate on field welds, as opposed to prefabricated welds.

Mr. Hertzgaard would like to speak with you but cannot release his work notes. He suggested that you call him at home, where he is writing a book. He will discuss the issues freely. His number is ! If you call during the day, let the phone ring once, hang up, and call again.

Mr. Keppler informed me that some witnesses might tell a different story to the NRC than they provided to GAP, Mr. Applegate, or journalists. In that event, he inquired whether I would be agreeable to conducting a joint interview to resolve the contradictions. I appreciated this approach and agreed immediately. Please contact me if there are apparent inconsistencies. This time around I hope that we can clear up any misunderstandings before the NRC report is released, so that Mr. Applegate and GAP can respond with public praise instead of public rebuttal.

Sincerely,

Thomas Devine
Associate Director

cc: Mr. Thomas Applegate
Mr. James Keppler

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CRONOLOGY -

SIX DOCUMENTED INSTANCES OF
DOUSING -

1. QC INSPECTOR MICHAEL MCCOY
MARCH APRIL OR MAY - 1980
MANAGEMENT NOT NOTIFIED
2. QC INSPECTOR JANICE MULKEY.
4 OCCASIONS AUG 1979 TO AUG 1980
1ST OCCASION ^{PAGE 79} / KEN SHINKLE QC SUPV ^{WHO} NOTIFI.
~~BOB~~ BOB MARSHALL - TO CRAFT FIREMAN -
2ND OCCASION DATE UNKNOWN -
NOTIFIED. (NOTE MUST BE
PRIOR TO JUNE 1980 WHEN ^{LEFT SIDE}
AND HE THREATENS TO REMOVE QC MEN
FROM BUILDING.
3. QC INSPECTOR DENNIS TAYLOR - ^{SQUIRTED WITH} FIRE EXTINGUISHER
DATE OCT OR NOV 1980
4. QC INSPECTOR ANTHONY FALLON
DATE JAN 1981 ^{REX BAKER.}
MARSHALL NOTIFIED ST SAID IT WOULD "NOT"
HAPPEN AGAIN.
5. QC INSPECTOR JOHN SULLIVAN
DATE FIRST TWO WEEKS JAN 81 -
6. QC INSPECTOR THACK WHITE -
3-11-81 10:30 AM - DOUSED WITH WAT.

1. Results of interviews clearly show harassment in the forms of water dousing, fire extinguisher, threat, and making inspectors explain findings.

2. Interviews show intimidation in two cases:

- but no record, no police, no record a. Mulkey (6.1.2.3) - adversely affected her performance. ^{8/14-8/60} Exhibit
b. Hong (6.1.2.23) - intimidated by threat of bodily harm. ⁷⁸ Exhibit

3. Incomplete investigation - personnel not interviewed

J. Setlock 6.1.2.3

6.1.2.3

D. Hagg 6.1.2.4

E. Stanley 6.1.2.7

R. Marshall 6.1.2.14

Security personnel 6.1.3

intimidate - to make timid or fearful : frighten; esp. to compel or deter by or as if by threats.

timid - 1. lacking in courage or self-confidence
2. lacking in boldness or determination

harass - 1. to worry and impede by repeated acts

2. a. EXHAUST, FATIGUE

2. b. to annoy continually

syn: see worry

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[STATUS OF RIII]
[INVESTIGATION OF]
[GAP ALLEGATIONS]

*ALLEGATION NO. 1

KEI knowingly installed and ripped out unsuitable main steam relief piping at
at estimated labor cost of \$320,000.

FINDINGS

This allegation was substantiated but there were no uncontrolled nuclear
safety concerns.

BASIS FOR FINDINGS

Discussions with the CG&E Principal Mechanical Engineer confirmed that
(MSR) Main Steam Relief piping was installed with foresight that part of the
piping would later be replaced. The MSR piping was already being installed
for the second time in order to replace the rams head discharge devices
with quenchers. This second design resulted after discovery of new discharge
loads at a plant in Germany in 1975. The NRC has been aware of the design
modification as indicated by the Zimmer Mark II Design Assessment Report
and NUREG-0487.

CG&E decided to start the modification in 1975 knowing that approximately
5% of the piping would have to be replaced. The design modification

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was incomplete and changes would be continuing. To date, the design modification in 1975 was an economic one, based on not delaying the construction schedule. The total labor cost to date is \$1,183,690.00.

The RIII inspector reviewed all revisions to the applicable isometric drawing for the MSR piping. All revisions indicated changes based on the above design modification. Therefore, there have been no other activities pertaining to the MSR piping of the monetary magnitude that was alleged.

The RIII inspector reviewed the QC documentation for 12 welds in the piping and interpreted the radiographs for six welds in the piping. The records indicate the design modification has been properly controlled.

*ALLEGATION NO. 2

Two thousand pound fittings were installed in 1979 on residue head valves, although 5,000 pound fittings are required.

FINDINGS

This allegation was substantiated but there were no uncontrolled nuclear safety concerns.

BASIS FOR FINDINGS

The RIII investigators' discussions with the alleged's source for this allegation revealed that components involved were not residue head valves but

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rather the actuators for the hydraulic control lines to the flow control valves at the discharge of the recirculation pumps.

The RIII inspector verified that, though the flow control valves serve as a safety related pressure boundary, the hydraulic actuator has no safety related function.

A design document change written on 8/23/78 and approved by the designer (Sargent & Lundy) indicated that 3,000 pound fittings were approved for use on the actuators in place of 6,000 pound fittings.

The RIII Senior Resident Inspector at Zimmer said that based on his reviews of the plant systems, there are no other actuators, like the ones addressed above, used anywhere else in the plant.

In addition, the RIII inspectors interviewed approximately 16 pipefitters (the allegor's source was a pipefitter) who stated that they had no knowledge which would support this allegation.

*ALLEGATION NO. 3

A radioactive waste drain is clogged with concrete which carelessly was poured into the drain.

FINDINGS

This allegation was substantiated, and there were no uncontrolled nuclear

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safety concerns.

BASIS FOR FINDINGS

The RIII investigators discussions with the alleged's source for this allegation revealed that the drains were clogged in 1976 and 1977.

The RIII Senior Resident Inspector at Zimmer stated that, based on his reviews of the plant systems, the alleged drains are non-safety related. Further, the resident inspector's interviews with the personnel responsible for flushing the drains indicated that some drains were at one time plugged with debris. However, the personnel interviewed and the flushing records commencing in 1979, indicate that the drains have been cleaned out and flow has been verified. The RIII Resident Inspector also verified that all accessible Rad Waste Building and Auxiliary Building Ventilation Room drains were not visually plugged at the ports.

*ALLEGATION NO. 4

A residue heat valve broke when a pipefitter bumped into it, raising new questions about the quality of metal used for valves.

FINDINGS

This allegation was not substantiated and there were no uncontrolled nuclear safety concerns.

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BASIS FOR FINDING

The RIII investigators discussions with the alleged's source for this allegation revealed that the component involved was not a residue heat valve but rather an actuator for the hydraulic control lines to a flow control valve at the discharge of a recirculation pump.

The RIII inspector verified that though the flow control valve serves as a safety related pressure boundary, the hydraulic actuator has no safety related function. The RIII inspector researched the applicable General Electric records for the flow control valves and questioned the G.E. Control and Instrument Engineer responsible for these valves. The RIII inspector did not find evidence that indicated that the valves, the actuator, or fittings had been broken. The RIII inspector inspected the valves, the hydraulic lines to the actuators, the actuators, and the recirculation pumps. All of these components were intact and appeared satisfactory. The hydraulics of the system had been satisfactorily storked.

In addition, the RIII inspectors interviewed approximately 16 pipefitters (the alleged's source was a pipefitter) who stated that they had no knowledge that would support this allegation.

*ALLEGATION NO. 5

Sensitive parts on welding rods are possibly damaged through storage at improper temperatures and possibly lost through failure to follow proper paper work and labeling requirements.

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FINDINGS

- (1) The first part of this allegation (improper temperature) has been substantiated and had nuclear safety concerns.
- (2) The second part of this allegation (failure to follow proper paperwork and labeling requirements) was not substantiated and has no uncontrolled nuclear safety concerns.

BASIS FOR FINDINGS

- (1) The licensee has been cited on numerous occasions (nine IE reports) by the NRC for inadequate control of weld rods which require temperature control. Currently, the licensee's corrective actions to the citations and program to control rod temperatures appears adequate.
- (2) Discussions with the alleged's source for this allegation revealed that this concern was that during September and October 1979 there was no pipefitter assigned to the weld rod shack during the evening shift to account for weld rods. Thus, the alleged's source did not know if the weld rod was being properly returned and accounted for on KEI-2 forms.

The RIII inspector reviewed weld rod issue slips, KEI-2 forms. The KEI form is a construction form which indicates weld rod capability. The form requires the welder's foreman and the weld rod issuer's signature. The forms require no QC signatures. Approximately 15 KEI-2 forms for the

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September - October 1979 period and approximately 20 additional KEI-2 forms dated in 1978 were reviewed. All of the records indicated that the respective welding rods had been properly accounted for.

It should be noted that since the KEI-2 form requires no QC signature the form is not a credible QC record.

It should be noted that while weld rod verification by QC is not alleged, the RIII inspectors have identified programmatic problems concerning weld rod verification. These problems were identified while pursuing a spinoff allegation. The specific problem is that the inspection requirement for QC is verified the use of proper fillers (weld rod) was improperly deleted for the period between July 1980 and February 1981. The deletion is contrary to the Code requirements. This will be an item of noncompliance.

*ALLEGATION NO. 6

Argon gas valves for flushing oxygen from pipes routinely are left open by the day crew, causing the night crew to be overcome by gas, a problem about which CG&E Safety Director Cummings expressed disinterest. In addition, on February 24, 1981, GAP representatives in a meeting with Region III stated that John Bedinghouse's son James, former Security Officer, was almost overcome by argon gas while making his rounds in the containment building. In addition, in an affidavit supplied by [redacted] states that day shift workers at Zimmer crimped and wired argon hoses (rather than close the gas valves at the source) resulting in argon gas leaks which caused the night workers to suffer from dizziness.

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FINDINGS

This allegation has been partially substantiated; however, it is still under investigation.

BASIS FOR FINDINGS

A KEI safety inspector confirmed that there had been instances where he had discovered argon gas hoses crimped and wired closed, although he stated to his knowledge there were never any instances of workers being overcome by argon gas. One instance was reported where a former security officer experienced illness as a result of argon gas inhalation. John Bedinghouse was interviewed and stated that he was never overcome by argon gas and knew of no one who was. In addition, inspectors from the Occupational Safety and Health Administration inspected the area where the alleged argon gas accumulations affected worker safety and found no instances of argon gas settlement. OSHA did state, however, that the containment suppression pool area in its opinion fits the definition of a confined space as spelled out in ANSI Z117.1-1977, Safety Requirements for Working In Tanks In Confined Spaces. OSHA stated that with the number of welding, cutting, and grinding operations that are being performed there, there is definitely a lack of natural ventilation and this can create safety problems. OSHA recommends "that Kaiser supply and implement the use of portable exhaust fans when welding/cutting in galvanized or stainless steel in order to insure that air is circulating continuously."


*ALLEGATION NO. 7


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*ALLEGATION NO. 7

Prefabricated piping, received in 1977 wea defective welds, but construction supervisors told crews not to repair them because the welds were made offsite.

FINDINGS

This allegation was not substantiated.

BASIS FOR FINDINGS

The RIII investigator's discussions with the allegor's source for this allegation revealed that the piping involved was five spool pieces delivered from Kellogg Company to the site. Upon arrival at the site on July 3, 1979, the pieces were dropped off the delivery truck.

The RIII inspectors reviewed the QC documentation relevant to the pieces being dropped. The documentation indicated that radiographs of the welds on the pipe pieces were taken to identify any defects that would have resulted when the pieces were dropped. The documentaiton indicated that, when indications were identified on three of the five pieces, instructions were given by Kaiser personnel to disregard radiographs.

Later documentations indicate that ultrasonic and visual examinations were made of the welds on the three questionable pieces.

The UT and visual examination records indicate that the welds were

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*acceptable.

All five pieces were installed in the main steam relief system.

During this section, the RIII inspector made visual examination of the welds on the spool pieces. He identified no unacceptable indications. He also concluded that ^{by a}space on the thickness and configuration of all the pieces, radiography would not be a credible volumetric technique of examination. The RIII inspector stated that ultrasonic and visual examinations were the proper NDE techniques for these pieces. The RIII inspector reviewed and stated that the UT results appeared proper and were acceptable.

*ALLEGATION NO. 8

At least three sources contacted by Mr. Applegate confirmed that an estimated 20% of the plant's prefabricated welds are defective.

FINDINGS

This allegation is not substantiated.

BASIS FOR FINDINGS

During the RIII inspector's discussion with one of the allegor's sources for this allegation, the source stated that the 20% estimate was based on:

(1) the sources firsthand knowledge of four occasions in which radiographs,

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- taken in 1976 of filled welds in the residual heat removal system, overlapped vendor welds. The source stated that he had no additional knowledge concerning the fourth occasion.
- (2) The radiographs of the three spool pieces that were dropped off the truck on July 3, 1979.
- (3) An affirmative acknowledgement given by the KEI project manager was the source stated that 20% of the prefabricated pipe welds were defective.
- (4) A conversation the source had with an ex-employee of a prefabricated pipe supplier.

No additional information was provided from any of the other sources.

The RIII inspector reviewed approximately 200 radiographs taken in 1976 of field welds in the residual heat removal system. No overlaps with vendor welds were identified.

Radiography was not a credible NDE technique for the three spool pieces that were dropped off the truck.

The RIII inspectors also interpreted over 600 radiographs involving over 200 prefabricated pipe welds. The inspectors identified radiographic technique problems with about 25% of the radiographs. Of the remaining 75%, the welds appeared very good.

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*ALLEGATION NO. 9

Engineering "designs" routinely are drawn after the fact to conform with piping that already had been installed.

FINDINGS

This allegation was not substantiated.

BASIS FOR FINDINGS

The RIII inspector selected and reviewed the isometric drawings for piping design in the (1) main steam release system, (2) low pressure core spray system, (3) feedwater system, and (4) reactor isolation system. The review of drawings, includes design date, and installation date indicated that the piping in all four of the above systems designed were drawn before the installation of respective piping.

The first three designs identified above were large bore (two inch and over) systems. The fourth design was a small bore system.

*ALLEGATION NO. 10

Shock absorbing electrical usually found unsatisfactory are still unsafe due to faulty welds and electrical cable trays remain dangerously full.

FINDINGS

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This allegation is unresolved.

BASIS FOR FINDINGS

(1) Faulty Welds

The RIII inspector inspected both vendor and filled welds on tray hangers in three different locations in the plant. The locations were the blue switchgear room, the cable spreading room, and an unidentified ^{area} area.

The inspector included more than 25 hangers with four to ten welds per hanger. Since the welds were already painted, the inspection was inconclusive. Only one weld by a cross member of a hanger in the cable spreading room appeared unacceptable. The RIII inspector discussed the defective vendor welds reported to the NRC pursuant to 10 CFR 50.55(e). Discussions revealed that these vendor welds and numerous other field welds had been accepted based on visual examination of painted welds. This is contrary to the AWS Code. Based on these noncredible inspections performed by the licensee, the RIII inspectors could not determine if there were additional unacceptable welds.

(2) Dangerously Full Cable Trays (Cable Tray Loading)

(a) The designer (S&L) has deviated from the FSAR.

(b) Measures were not established to verify the tray loading design

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• for the dead weight and cable loading of our cable sleeve.

(c) At least 30 identified and controlled trays exceed the FSAR limit of 50% fill.

(d) Calculations have not been performed to verify whether or not trays have been overloaded. (Both thermally and dead weight).

(e) Cable selection must be reevaluated because of increased cable depths.

There are two noncompliances and four unresolved items identified regarding cable tray loading.

*ALLEGATION NO. 11

Sand and mud choke the feedwater pump and intake flues carrying make-ups for water to the cooling tower, because of a flaw in the plant design. Pumps used to rectify the flaw quickly burn out.

FINDINGS

This allegation was substantiated, but there were no uncontrolled nuclear safety concerns.

BASIS FOR FINDINGS

• ~~This item was previously reported to the NRC pursuant to 10 CFR 50.55(e).~~

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This allegation was substantiated, but there were no uncontrolled nuclear safety concerns.

BASIS FOR FINDINGS

This item was previously reported to the NRC pursuant to 10 CFR 50.55(e). The report is still open and the item is still unresolved.

*ALLEGATION NO. 12

The design flaw in the heat exchanger control panel permitted an operator to mistakenly force 1200 pounds of pressure through pipes only meant to handle 300 pounds, ripping the pipe and soaking electricians with a hard spray of water that would have been radioactive had the plant been in operation.

FINDINGS

This allegation was substantiated, but there were no uncontrolled nuclear safety concerns.

BASIS FOR FINDINGS

The RIII inspector reviewed the sequence of events before and held a discussion with the operations quality engineer concerning the alleged deterrent. The review and discussion substantiated deterrent, but indicates a different cause.

The cause appeared to be a breakdown in communication. Two valves connecting

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the low pressure core spray system to the high pressure core spray system, were incorrectly left open during the start of the flushing activities of the HPCS. The pre-flushing checklist was signed incorrectly, verifying valve line-up. On the subsequent day the HPCS pump was started with 1200 psig pressure in the discharge piping. After approximately three minutes, a water hammer occurred which cracked the water box on the steam jet air ejector and allowed water to spray all over the immediate area. The incident was reported to the NRC pursuant to 10 CFR 50.55(e).

The following corrective actions were taken:

- (1) A swing check valve was added downstream, to minimize the effect of the two isolation valves, connecting the LPCS to the HPCS, being inadvertently left open.
- (2) The valve line-up verification now requires two signatures instead of one.
- (3) A stress analysis and pipe minimum wall thickness measurement (ultrasonic test) were made which indicate that there was no damage to the valve and piping hangers in the HPCS, LPCS, and CD (non-safety related) systems.

*ALLEGATION NO. 13

There have been periods where there were no security surveillance cameras during nuclear fuel deliveries to the site and perimeter security consisted for an extended period of only a four foot chicken wire fence.

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FINDINGS

BASIS FOR FINDINGS

Part 1 - Security Surveillance Cameras

The RIII inspector serviced to an interview with the site plant protection analyst, representing the Physical Security Licensing Branch of NMSS and a review of the following documents that the licensee does not require to provide CCPV surveillance during either delivery or storage of unirradiated fuel at the Zimmer site.

- (a) NRC Materials License SNM-1823, dated June 26, 1978.
- (b) 10 CFR 73.67(f)
- (c) Station administrative directives, interim access control - new fuel storage area, Procedure No. SE SAD.03, Revision 1, dated August 10 1979.
- (d) Appendix F - Interim access controls - new fuel storage area, Revision 10, dated July 3, 1980. Appendix F became effective November 14, 1980.

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July 3, 1980. Appendix F became effective November 14, 1980.

The RIII inspector also determined from reviewing two Region III security inspection reports that the licensee is not utilizing CCTV to provide surveillance to the new fuel storage area; but is utilizing watchmen and barriers to detect unauthorized penetration.

Part 2 - Perimeter Security

FINDINGS

This allegation was not substantiated.

BASIS FOR FINDINGS

The RIII Resident Inspector at Zimmer determined that from approximately December 3, 1979, to the present, the licensee has utilized an eight foot plywood barrier on the floor elevation containing the new fuel storage area. This utilization was also verified during two separate security inspections. (September 25, 1979 and January 22-23, 1981) by RIII personnel.

An interview with the plant protection analyst representing the Physical Security Licensing Branch of NMSS stated that the utilization of a four foot chicken wire fence to control access to the new fuel temporary storage area would not conflict with the requirements stated in 10 CFR 73.67(f) and Part 2, Section 1.1 of Regulatory Guide 5.55, dated January 1980, if monitoring of the area was also conducted.

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The monitoring is conducted by a watchman who is continuously stationed at the access point to the new fuel storage area.

*ALLEGATION NO. 13

There have been periods when there were no security surveillance cameras during nuclear fuel deliveries to the site, and perimeter security consisted for an extended period of only a four foot chicken wire fence.

FINDINGS

This allegation is substantiated; however, it is not contrary to any regulatory requirement.

BASIS FOR FINDINGS

Interviews of licensee security representatives indicated that there were no surveillance cameras during nuclear fuel deliveries to the site and that for a short period of time the building where the fuel was stored had a four foot fence around it. The licensee advised they are committed only to posting a watchman to guard the fuel twenty-four hours a day. RIII Safeguards Section, DETI, advise this program has been implemented and is acceptable. Therefore, the concerns expressed by GAP may have occurred but are not contrary to any regulatory requirement.

*ALLEGATION NO. 14

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A lax attitude toward employee behavior was evidenced by complete disregard of drinking and drug use on the site, and routine hiring of temporary labors prone to violence.

FINDINGS

This allegation is unsubstantiated.

BASIS FOR FINDINGS

Forty-five Quality Control Inspectors, seven former security officers, and ten craft personnel were interviewed regarding the use of alcohol and drugs on the site. In almost every instance these personnel commented that they had observed evidence of drinking (discarded beer cans and liquor bottles) on the site and had seen evidence of some marijuana use (discovery of marijuana cigarette butts). However, in each instance the QC Inspectors and craft personnel contacted said they did not observe individuals intoxicated on the job, or instances where drug or alcohol intoxicated personnel were working on a specific system in the plant. The security officers questioned on this issue said they reported the apparent presence of alcohol and drug abuse to CG&E security management. The security officers stated however, they did not characterize the problem as a major security problem onsite and none substantiated that the licensee had a "lax attitude" regarding drug or alcohol abuse onsite. In regards to the GAP comment regarding the routine hiring of temporary employees prone to violence, the security officers interviewed reported no pattern of significant acts of violence (fights, shootings, stabbings, etc.) among employees onsite.

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*ALLEGATION NO. 15

Employees fired for time cheating had been cheating with express approval of management. The only time-cheaters fired were vocal and knowledgeable critics of plant QA and safety.

FINDINGS

This allegation is unsubstantiated.

BASIS FOR FINDINGS

On March 12, 1981, William Murray, Employee Relations, CG&E was interviewed and stated in December 1975 Mr. Thomas Applegate was hired by CG&E as an undercover security officer, ostensibly to uncover instances of employee time card cheating at the plant. Murray stated Mr. Applegate's investigation conducted between December 10, 1979, and January 3, 1980, resulted in the dismissal of three Kaiser employees for time card cheating. Murray stated one of these employees was later reinstated. One of these employees was interviewed and stated that he was fired from the site for time card cheating and not for any comments he made about safety problems at the plant. We intend to interview the remaining two employees during the upcoming week.

*ALLEGATION NO. 16

CG&E had warned Peabody Magnaflux management to silence the radiographers at Zimmer who were criticizing CG&E's consistent approval of welds rejected

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by Peabody Magnaflux. In addition, on February 26, 1981, GAP representatives in furtherance of this comment stated four local police officials in the Cincinnati area had information regarding a burglary of the Peabody Magnaflux trailer onsite and the theft of records criticizing CG&E's consistent approval of welds rejected by Peabody Magnaflux were stolen during this alleged breakin. ~~The NRC inspectors reviewed 250 radiograph reader sheets for 49 welds. None of the reader sheets indicated acceptance by KEI after rejection by Peabody Magnaflux.~~

FINDINGS

This allegation is currently under investigation. However, the statement about the burglary of the Peabody Magnaflux trailer onsite and the theft of records is unsubstantiated.

BASIS FOR FINDINGS

Five out of nine Peabody Magnaflux employees have been interviewed regarding this allegation. They have denied any intimidation by Peabody Magnaflux regarding their weld determinations at Zimmer. Three of the five employees interviewed are radiographers who denied CG&E was consistently overriding their decision on the acceptability of welds. NRC inspectors have reviewed Reports of Radiographic Examination and have not identified any pattern of CG&E overriding Peabody Magnaflux's findings; in fact the contrary is true. Frequently Peabody Magnaflux approved welds which CG&E later said were not acceptable. The NRC inspectors reviewed 250 radiograph reader sheets for 49 welds. None of the reader sheets indicated acceptance by KEI after rejection by Peabody

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It should be noted that GAP has taped conversations with two Peabody Magnaflux employees regarding this allegation. We plan to review these tapes and interview these individuals to resolve any discrepancies or inconsistencies in any statements they have made to GAP of the NRC.

Regarding the alleged breaking and entering of the Peabody Magnaflux trailer and the theft of records from this trailer, six local police officers, including four named by GAP representatives as having information regarding this breakin were contacted and denied having any knowledge of a breaking or entering or the theft of records from the Peabody Magnaflux trailer at the Zimmer site in January 1980.

*ALLEGATION NO. 17

Union pipefitters and Peabody Magnaflux employees have been intimidated by fear of utility and industry-wide reprisals should they complain about the QA practice.

FINDINGS

This allegation is unsubstantiated.

BASIS FOR FINDINGS

The Peabody Magnaflux employees and the union pipefitters who GAP states were

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intimidated by fear of utility and industry-wide reprisals were interviewed and stated they had not been intimidated for any criticisms of QA practices at the Zimmer site. In the case of the fired union pipefitter he stated that he was fired for time card cheating and not for complaining of Quality Assurance problems at the site. The Peabody Magnaflux employees interviewed stated they were asked to leave the site due to production problems and readily admitted that the quantity and quality of work generated just before their dismissal was of poor quality. They attributed this to problems with their film processing and film developing machine onsite which frequently malfunctioned, necessitating reshootings of many radiographs which affected production. They also stated the antiquated machine affected the quality of their final product, and radiographs were unacceptable due to poor film quality when submitted to other Level III reviewers for examination.

*ALLEGATION NO. 18

A Kaiser employee has kept a detailed journal of safety hazards and incidents at Zimmer.

FINDINGS

This allegation is unsubstantiated.

BASIS FOR FINDINGS

On March 5, 1981, Yohan Reiter, former Radiation Chemistry Technician, was contacted via telephone in Ankara, Brazil. Reiter stated he recalled having a conversation with Thomas Applegate in December 1979 in which Reiter

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a conversation with Thomas Applegate in December 1979 in which Reiter referred to his field notebook as his "paper brain". Reiter denied stating to Applegate that the notebook was a detailed journal of safety problems as characterized by the Government Accountability Project affidavit presented to the Special Counsel Merit Systems Protection Board. Reiter stated the notebook contained his field inspection notes, which insured deficiencies he identified during his preoperational inspections of the radwaste system, a non safety related system in the plant were repaired. Reiter stated in each instance the problems he identified were corrected by Kaiser. Reiter added he had no concerns with the safe operation of the plant and added he would have reported these concerns to the NAL if had them.

*ALLEGATION NO. 19

A common "joke" among pipefitters at Zimmer is that they will be hundreds of miles away when the plant goes on line, due to their predictions of a disastrous accident.

FINDINGS

This allegation has not substantiated.

BASIS FOR FINDINGS

The RIII inspectors interviewed approximately 16 pipefitters. None of them had knowledge of any specific hardware problems.

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From Applegate/Derive Interview of 2/26/91.

Page #	Allegation #	Names of sources	Relevant Info
6	17 PM forced to leave site	Aldredge	
6	7 break-in		
7	7 break-in	Pat Brennan M. Ke. Brennan	1. break-in occurred weekend after Applegate was fired. 4 records of dropped pipe state taken.
7	7	Aldredge	records taken when PM dismissed from the job.
8	7	Sellers	pipe dropped off truck - radiographs
8	17	Sellers	PM fear of losing contract
9		Aldredge	Poss. able to doctor X-rays
9	7 break-in	Applegate	"we do <u>not</u> know what documents, if any were taken"
10	7 break-in	Former Yoh security people ↓ Ron Wright Jim Bealhouse Dave Simpson Tom Coughlin Tom Bice	

Page #	Allegation #	Source Names	Relevant Info
13		Jeff Hyde	
		Steve Harris	
13	7	(Mike Brennan)	break in suspect
		(Pat Brennan)	" "
14	7		" "
14	11	Alldridge type	PM intimidated to leave site
15		Sellers	body type
		Hang	" "
17	13	Jeffrey Hyde	fuel left unattended
17	14	Ron Wright	Marijuana vouchers collected
		Lutenslager	instructed Wright to disregard the vouchers
20	14		downing drinks on the job
	14	Hyde	drinking in parking lots
22	14		liquor kept in control room
	"	"	angel dust consumed
22/23	"	"	pipe fitters drank on the job
24	"	Hyde	
		Harris	
		20 Tyson	
		Victor Griffin	
25	14	Doc Simpson	Security Guards kicked off site for bringing up concerns about drinking, dope, and guns.
26	14	Hyde	loud man for ^{4th security} come to work "shit faced" (drunk)
		Harris	

26

13

Wright

End site in an unsafe area,
blow-out walls on containment

Lautenslager

7th floor.

28

13

Kappler

Says NRC with possible blow-out wall

31

6

Bedinghouse

John (John) talk due to org. y.

40

Dr. Frank Hauser

Suppression pool liner - design

didn't match what was constructed
and reinforcement bars were broken.

41

3

doors in radiators area were clogged

43

7

Albridge

security guards have information

on who broke-in facility. And
into on whether or not PM is

missing something.

45

13

Wright

Nuclear left unguarded

45

Bill Ross

47

48

4

confirmed

49

Tyner

flashing

Mark Hentshaw

"

51

5

confirmed

David said

said ASME people concerned

David said
of welding equipment

concern was saying in test

Appleby said

was concerned about welds

being sign in and out.

~~51~~ 5 occurred late summer of 1979

~~51~~ 6 John Delinghouse

~~Jim Delinghouse~~

~~Apple~~ Applegate said, ^{occurred} late fall/early winter 1980

52 6 Applegate said occurred in the suppression pool area.

52 7 John McIlung - security guard responsible for receiving the pipe

helped unload the pipe

Allen Sellers Responsible for X-raying pipe

Steve Sellers

"

Other PM

people

"

~~53~~ 5

PM people (Allen or Steve Sellers, or Dave Hanger)

~~54~~ 3

Tyner

→ put pipe in (Steve Bennett - 399.)

54 5 X

Steve Sellers unusually high rejection rate of welds at summer (predict welds)

~~55~~ 3 X

56 3 X

continued

Dennis

said specifically the rejection rate of 20% was for the predict welds

~~57~~ 3

Murray

Ant's welds are ok based on talking radiography

~~58~~ 5

Ant Atteridge

Said radiographs can be doctored.

59 3

Bob Marshall

agreed with 20% estimate.

Dennis

suggests doing an internal spot check.

9 ~~Tyner~~ } referred allegation #1
 } referred allegation #11

11
 Tyner

1 Tyner
 3 Applegate refers NRC inspections 9/13-20 & 12/11-12/77
 in large number of ~~any~~ radiographs
 had technique problems which
 substantiates the 20% bad probe
 pipe welds.

#6 K. Ward did inspections of radiographs
 on 9/13-20/77 & 12/11-12/77. The inspections
 were of ~~bad~~ radiographs of field
 welds not probe pipe welds.

9 D. Fankhauser suppression pool reinforcement was not
 where the pits required.

12 Applegate other people taking welding tests for welders.
 Holstatter " Husky "
 field "
 13 " "
 " "

63 10 Hotstetter

65 12

66 14

to point to violence

All of security personnel

"

"

65 14 Mark Day

"

Jim Hardy

"

66 14 B. Marshall

drinking, drugs, violence

B. Murray

"

Paul Henderson

"

C. Smith

"

67 16

Words rejected by PM

& accepted K.E.

Allen Sellers

Steve Denning

Dave Hagg

69 17

Trailer break-in weekend
after Applegate level.

70

15

knows name of employee w/ journal

Applegate

Jays Dave Simpson also has
a ~~that~~ journal of pictures.

71 17

introduction of union people

74

NRC committee to interview

Hyatt, Harris,

Tyler, G. H. H.

P-1/7

A. break-in witnesses

pg 7, 43 c1 ~~Mr. Aldredge~~ c1 ~~Tom Creighton~~ pg 12
pg 7, 14 c1 ~~Pat Brennan~~ c1 ~~Jim Bane~~ "
" c1 ~~Mr. No Brennan~~ c1 ~~Aldredge tape~~
pg 12 c1 ~~Tom Wright~~ c1 ~~5-bdy tapes~~
" c1 ~~Jim Boringhouse~~ c1 ~~Dave Hung~~ pg 69
" c1 ~~Dave Simpson~~ c1 ~~Allen Sellus~~ "
c1 ~~Steve Bennett~~ "
c1 ~~John McLaughlin~~ pg 52

B. Witnesses of pipe drop off truck incident

c1 ~~Sellers~~ pg. 3
c1 ~~Aldredge~~ p
c1 ~~John McLaughlin~~ pg 52
c1 ~~Alan Sellers~~ "
c1 ~~Steve Sellers~~ "

P-1/8 2070 pipe work

c1 pg 53, 55
c2 , 56
c3 ~~Magnittex people~~
c4 ~~Tuner~~ pg 54
c5 ~~Murray Asst. R. Eng.~~ pg 57
c6 ~~Aldredge~~ pg 52, 59
c7 ~~Bob Marshall~~ pg 59
c8 ~~Steve Bennett~~ pg 60

Dennis says it is impractical for NRC to re-examine entire plant.

pg. 41 Mark Hestgaard (Investigative Reporter
'Tyner' (flashing)

~~P-1/4~~

(1)

(2)

pg 43

"

P-1/5 (1)

pg 50, 51

(See pg 50
51)

~~ASME personnel (pg 50)~~

~~Est Griffin~~

~~pg 51~~

~~(4)~~

~~pg 50~~

~~(5) Steve Sellers~~

~~pg 51~~

~~Est investigative reporter~~

~~pg 51~~

(Mark Hestgaard)

~~(6) Holly Tape w/~~

~~pg 55~~

~~P-1/6~~

~~CCRC approval of PM rejects~~

~~(1) Steve Sellers~~

~~pg 51, 52~~

~~pg 51~~

~~Est investigative reporter~~

~~(2)~~

~~Est Holly Tape Applegate~~

~~pg 55~~

~~(4)~~

~~pg 69~~

~~(5)~~

~~(6) Allen Sellers (7) Steve Brannan (8) Dave Hing pg 67~~

P-1/9 drawn after the fact

(1) ~~pg 60~~

~~pg 60~~

(2)

"

(3) ~~Jim Tyner~~

"

~~(4) E. Funtkhusen pg 62~~

P-1/17

- (1) ~~Aldridge~~ pm pg 9
- (2) ~~Sellers~~ pg 8
- (3) ~~Wickham~~ pg 72
- (4) Aldridge tape pg 14
- (5) Sellers body tape pg 15
- (6) Hung " " "

P-1/13

- A (1) Jeffery Hyde pg 19
- ~~(2) Wright~~ pg 43
- (2) Wright - unguarded fuel pg 43

B. Show-out wells (see Kippler comments on pg 23)

- (1) Wright pg 26
- (2) Leutenstlager pg 26

P-1/17 pg 19, 20

- pg 17, 18 (1) ~~Leutenstlager~~ - prime source
- pg 21, 22 (2) ~~Hyde~~
- pg 20, 24, 26 (3) ~~Hyde~~
- 24 (4) ~~Harris~~ (Steel)
- 24, 25 (5) ~~B. & Tyner~~
- 24 (6) ~~V. & Griffin~~
- 25 (7) ~~D. & Simpson~~ pg 25

- (9) ~~Hart~~ pg 26
- (10) ~~Mad Dog~~ pg 67
- (11) ~~Jim Hardy~~
- (12) ~~R. & M. Hart~~ pg 63
- (13) ~~B. & M. Hart~~
- (14) ~~Frank Leutenstlager~~ pg 63
- (15) ~~King C. & M. Hart~~ pg 63
- (16) ~~Paul Wright~~ pg 12

NRC Committed to interview

1

pg 24

2 Hyde

3 Hurvitz

4

5 Tyner

6 Griffin

7 Wright

3

4

5

6

7

8

9

10

12

13

14

16

17

18

P-1/10 ~~Cable trays~~

C1 ~~Hotstallor~~

pg 63

C2 ~~investigative caption~~ "

P-1/12 ~~200 15" into 300" pipe~~

C1

pg 65

C2

"

P-1/13

C1

Know the who had journal

pg 70

C2 ~~Dave Simpson also had a journal~~

"

Other allegation witnesses

pg 13 (1) Jeff Hyde - ~~Fluency test~~
(2) Steve Harris

(3) Dr. Fenthauser - pg 43 (suppression put in)

(4) Bill Ross - Security pg 45

(5) A Hofstadter pg 62 welders cheating on qualification tests.

at Jim Toner

P-1/2 / 36

pg 36 (1) Becking house & son (John & Jim Becking house) pg 51
" (2)

P-1/3

(1)

pg 41

Keppler

Could I again ask that we do that after we get to the other subjects?

Devine

Yes. I think that our first priority should be for Tom to get down to business here and start showing his information.

Applegate

Right. As you note probably, if you gentlemen reviewed the material in my affidavit and I discussed in my affidavit and in other pertinent information that was provided you, I discussed an allegation with regards to the independent radiographers, Peabody Magnaflux, being in one way or another coerced to leave the site at the Zimmer nuclear power station. It has come to my attention that there may be further evidence with regards to their being coerced to leave the site. As you might be aware we provided a taped conversation between myself and Mr. Aldredge where I think it is at least clear to us that Mr. Aldredge... and possibly we should get into a discussion of Mr. Aldredge's conversation with myself...

Devine

Maybe a good way to get through this all quickly would be to go down witness by witness with whatever new information you've got.

Applegate

Okay, right. There are certain law enforcement officers in the greater Cincinnati area who have indicated to me that they believe they have some highly suspicious people that were involved in the break in at the Zimmer nuclear power facility in the weekend approximately January 10, 1980, approximately again I say. This was the weekend after I was fired from the site. There was an allegation made that someone had pilfered data from Peabody Magnaflux that might tend to corroborate our allegations of faulty workmanship on piping in the Zimmer nuclear power facility. The names of these individuals have been given to me as suspects, and I emphasize that only because a certain amount of circumstantial evidence takes you up to a suspect and then a certain amount of fact gathering confirms or denies their guilt in relationship to an incident. This is typical investigative procedure. You go through stages in investigation. I would say if you include the four stages of investigation... where you go speculative, rumor, possibility, probability and fact... that this is probably in the possibility category and could be placed into the probability category with the interviewing of certain

Don't in witnesses

witnesses that I have their names. And I would like for the Nuclear Regulatory Commission to pursue that with the idea that this may provide further information with regards to Peabody Magnaflux leaving the site either by coercion and force on the part of utility and the contractor or by any other means. The gentlemen who are highly suspected of breaking into that trailer according to my witnesses, and again you'll have to excuse me cause I take notes in a fashion much like any other investigators, but a Mr. Pat Brennan and a Mr. Mike Brennan, both brothers. Mr. Pat Brennan was apparently a union steward at the Zimmer facility for some time and Mr. ~~Mike~~ Brennan was apparently a supervisor or some capacity of supervision with the Quality Control section of Kaiser. This is the information that I have at the present time. We are again pursuing this as quickly as possible because I feel that this evidence could lead to a finding as to whether or not Peabody Magnaflux was actually burgled or not the weekend after I was fired. I have discussed these...

Keppler

Were records of Peabody Magnaflux taken at that time?

Applegate

*P-1
d7*

Yes. According to the President of Peabody Magnaflux in a taped conversation that I provided to the Nuclear Regulatory Commission, I asked him does Peabody Magnaflux have a continuous string of data that they can report should this come to a point of hearing either with the Nuclear Regulatory Commission or in Washington with the Senate Subcommittee or anything else, and he indicated that no, that they do not. That because of this apparent pilferage of data to quote Mr. Aldredge, "because of the apparent pilferage of data there may be some holes in their continuous string of information with regards to safety related quality controls inspection of the pipes at Zimmer." So it hinges on the fact that this burglary might have put some holes in Peabody Magnaflux's ability to continue on and say that they had evidence of the fact that there were problems with that load of piping that they inspected, okay. That was, of course, what we had centered on.

Devine

What Mr. Aldredge stated was their records were taken when they were dismissed from the job. They normally would have some of their own. So we don't have negatives. We have hopefully some of our inspection reports but these have holes in that now that we have had some possible pilferage of our material. And frankly, I don't know now if we have a particularly documented and distinct... So there's...

Applegate

Documented string of evidence as I recall the conversation.

Devine

Yeah. He's made some references to that. A lot of Mr. Applegate's work has been trying to pin down what that reference was referring to in terms of pilferage and a breakin and there has been conflicting information about it and as the NRC investigation continues the witnesses seem to be more of a consensus that there was a breakin there and more people are willing to talk about it. When we first started asking questions about this there were some people denying that anything like that had even occurred. Now the trend seems to be that folks are willing to open up about it.

Barrett

P1
\$7 / When you address a load of pipe do you have specifics of kinds...

Applegate

P1/7
Sellers
P-1/17
Yes, we are talking about the load of pipe that was delivered from Kellogg on July 3, 1979, that was dropped off at the truck and was examined by Peabody Magnaflux. And their original examination they found, or at least they reported to me that they found, some inconsistencies or some discrepancies or actual faults in some of the prefabricated welds of that pipe. That this was prefabricated piping that had come in from Kellogg of Pennsylvania and that in checking for damage they had inadvertently found some inaccurate or possible discrepancies in the piping and that in trying to pursue this they were hushed up immediately. I was given a statement which is on tape, again, I don't know, I think all these tapes have been provided the Nuclear Regulatory Commission haven't they? It's very indistinct, but at a great cost to me I have had these tapes audiolized and Mr. Sellers who was a supervisor for Peabody Magnaflux at the site at that time made a statement that Peabody Magnaflux was told by Kaiser and Cincinnati Gas & Electric quote "we will do what we are told to do when we are told to do it." And that was his in-quote statement that out of fear of losing the contract, out of fear of reprisal of losing the contract with Cincinnati Gas & Electric, they would do what they are told to when they are told to do it and that in this particular instance when they brought up the impressions of faulty welding done on prefabricated welding that was coming into the plant that they were told to keep quiet.

Barrett

Do you feel that this is the documentation relative to the pipe that was dropped off the truck that was stolen from the trailer?

Devine

Well, we're not really sure how much documentation is missing. We think this is an area of question that you all could probably clear up fairly quickly by going to PM and finding out what kind of records they have there. And if they have everything that they are supposed to then we will know the people who are complaining may be mistaken about it or else there has been a complete identification of a new record system for years of work. And if they don't have it then...

Applegate

Because that was also indicated on the tape when I asked Mr. Aldredge - I said is it impossible to doctor these X-rays or make the reports look like they were something they are not and Mr. Aldredge indicated - oh, certainly it is possible and highly probable. He indicated that when the intent to deceive and defraud was there originally that there is very little that you can do - that's the president of the company talking.

Barrett

So I understand then that you don't know specifically what documents, if any, were taken from the trailer?

Applegate

We do not know what documents, if any, were taken from that trailer. I believe that the people at Peabody Magnaflux do know. And that under pressure because as Mr. Aldredge indicated, that their company position was we have taken the position that to go in and defend this matter would cost us in the long run, taking the position that Peabody Magnaflux was blowing the whistle on a sister utility and just maybe we shouldn't be considered for any further work and he was under, I believe Peabody Magnaflux was under, the fear that they would be banned from the nuclear industry entirely if they go in and try to defend this matter as I felt that they should have. As it relates to safety problems in the plant, safety related matters with regards to that particular piece of piping, it could have a very serious impact, especially given the placement of that pipe fix in the main steam relief system, but in any case as I understand it that's a very critical system - but in any case and I have a lot of names to discuss as far as where that information came in.

McCarten

break-in That's what I want to talk to you about. Who is the police agency involved coming up with this information on the Peabody Magnaflux trailer breakin?

Applegate

Well, a lot of these people are former Yoh Security people.

McCarten

Do you have any names so we could go and talk to these people?

Applegate

Yes, we do.

McCarten

Do you have them now?

Applegate

Yeah. Tom, do you want to go into the specific names? I can give you the names and phone numbers and a quick summary. Again I want to emphasize before we go into this - Mr. Keppler, this is something that we discussed in your office - that a lot - you can't just go out and approach some of these witnesses, you have to understand there have been threats and you can't just go out and approach these witnesses - they get very nervous about how you approach them. If we are giving a list of witnesses this morning, we must understand that these people are people who have a lot to lose with regards to the present jobs that they hold. The intimidation that Cincinnati Gas and Electric has thrown on these individuals is - we don't care if you formerly worked for us, we don't care who you work for now, we can still cause you trouble and these people are afraid of that type of situation. So you have to understand that we are giving these lists of witnesses but please understand they - the type of situation these gentlemen are in - they have voluntarily talked to me and I think it's with a great deal of courage that they have voluntarily talked to me.

Keppler

Do you have any suggestions as to how we should go about contacting them?

about this breakin and we will contact them because this Peabody Magnaflux issue is not closed. We are actively investigating it. 3

Devine

I would be glad to get this in the records right now. Mr. Ron Wright, he is former security officer there with Yoh and is now at the Felicity, Ohio, police department. His phone number at home is

Applegate

And let me indicate that that is a party line you may have difficulty in reaching him, you might have to reach him through the Felicity police department.

Barrett

Will you have addresses for these people?

McCarten

Yes, we will get that. He is a police officer. He is not going to worry if you call him.

Devine

break-in
Mr. Jim Bedinghouse, he is the former police chief in Moscow, Ohio, and a security guard at the plant. His phone number, home number, is I believe these other three individuals you haven't spoken with directly.

Applegate

No I have not spoken directly. I have not had time.

Devine

break-in
Mr. Wright referred three other witnesses - Dave Simpson who is now a sergeant in the Felicity police Department, Mr. Tim Creighton who lives in the Felicity area, and Mr. Jim Brice who works with the New Richmond, Ohio, police.

Applegate

They as well may have more witnesses.

Devine

These men all worked for Yoh Security and the primary focus is on the security issues, the access to the fuel, etc. Some of them do have some spillover into safety related issues.

McCarten

What about the BME - which ones have information on this burglary and P-1 breakin? Ron Wright?

Devine

Ron Wright, well.

Applegate

*break-in
w. faces*
I would say you ought to talk to Jim Bedinghouse and Ron Wright and Dave Simpson primarily. Dave Simpson has apparently kept a lot of documents and a lot of records. I think he is the man. There is also other things that these people have talked about besides the breakin. They have obviously talked about the security matters that we are going to relate to safety here in a minute, but they have all talked about other matters and they backup affidavits given by Jeff Hyde and Steve Harris. This is all the Yoh Security group - these are what I believe to be stand-up law enforcement type people - they were all commissioned officers in the State of Ohio at the time they were with the Yoh Security and these are the people that I feel are your most expert witnesses in discussing a lot of these allegations.

McCarten

Have any one of these people given you these two names of Mike and Pat Brennan - they have direct evidence that these two people...

Applegate

Those names were given to me by those people.

McCarten

Which one has the direct evidence regarding their involvement?

Applegate

*break in
witnesses*
9-1/17

I am not certain - again these people - you know, you have to understand a police officer. A lot of times he wants to talk to the feds - he doesn't want to talk to Tom Applegate - he doesn't want to tell me what he knows directly - because again, Mr. Keppler as we were discussing, this comes into the standpoint - this comes into the issue of what do these people want to say to Tom Applegate and at the same time what do they want to say to the NRC. They may give me part of the story and they may give you all of the story. So, with regards to the Pat Brennan and Mike Brennan situation, I don't feel they have given me all the information that they know and they have mentioned them casually and mentioned the fact that it was common knowledge that these individuals might have been the ones responsible for the breakin. Now whether or not that is proven up in fact is a matter for the NRC to look in - I know that that relates to the Aldredge tape and relates to the Aldredge conversation with regards to the fact that Peabody Magnaflux was intimidated to leave the site. I believe that they were intimidated through corporate pressure, I believe that they were intimidated from the standpoint of how they were issued off the site. Mr. Aldredge indicated that there was a man standing and waiting at their trailer when they went to pull it off the site stating that you will hand over the documents. And I said you mean it was a situation of almost hand over the documents or get shot? And he said, well let's put it this way, it was one of the fastest transferring of data that I can recall in 20 years. And then I went on to ask him if this has ever happened at any other nuclear site that Peabody Magnaflux might be associated with and he indicated to me that they were associated with approximately 20 other sites and that this had never happened previously.

Devine

It might help Mr. McCarten to summarize whatever explanation Mr. Wright and Mr. Bedinghouse did give for identifying the Brennan brothers as the people in this breakin. *X X*

Applegate

As security officers they were privy to talking to a lot of employees in the pipefitters union and the boilermakers and so forth - employees that were walking around - they became friends and sociable with a lot of these individuals and in talking to these individuals they gained a lot of evidence in so far as statements made with regards to who might have been responsible for the breakin. So I believe that that was probably how they came across their information. They probably were talking to someone who had loose lips and mentioned to them that Pat Brennan and Mike Brennan were the ones involved. So I think they could probably firm it up or at least put you on the trail a little hotter than I can. And I believe that these witnesses - now there is another entire aspect to what they have to say - that we are going to get into as soon as you get the other information.

McCarten

One other question. You had these conversations with Sellers in the Riverview Bar. And Hang you had on site and you were wearing a body recorder. Is that right?

Applegate

Yes I was.

McCarten

And you had these tapes enhanced to get the background noise out?

Applegate

Yes I had.

Schnebelen

You asked him a question a while ago - did he provide us tapes - and I would have to clarify that. The only tapes that we received that I know of are tapes of the phone conversation that I believe you had with Mr. Aldredge. Nothing else was ever given.

Devine

(You still need those five tapes?

Applegate

(Those body tapes?

Schnebelen

Or copies of them.

Applegate

p-11/13 (These individuals talked and verified allegations that were made in affidavits given by two other security guards in the Yoh force, one being Mr. Jeffrey Hyde and in which he indicated that there were problems with leaving the fuel unattended. Problems with leaving the fuel completely alone, with nobody guarding it whatsoever. Problems with having either a security guard or sometimes having to call a control room operator to come up and sit on the floor and watch the nuclear fuel while the guard went out and took care of his business simply because the security people were totally understaffed. So there was the issue of the nuclear fuel. There was also the issue of the criminal activity that was rampant throughout the plant and in their estimation, I have one of these men, Mr. Ron Wright said that he would collect roaches, which are the butt end of marijuana cigarettes, and he would collect roaches and take them into Mr. Lautenslager and say, see in this area they are smoking dope and in this area they are smoking dope and we are finding it when we do our rounds and he would take this information into Mr. Lautenslager who is the vice president in charge of security for CG&E at the site and Mr. Lautenslager got to the point where he not only told them to turn their heads and refused to let them do a law enforcement job of correcting this problem of using drugs on the site but he refused to let them bring in the evidence of this activity being conducted. And the whole point is that how we see this as relating to safety related aspects of the plant, etc., is that how does a man weld pipes, how does a man be an electrical worker, be a boiler maker, be a carpenter or be whatever he does, how does he do that job safely if he is stoned, drunk and worrying about the girl that he is going to be messing with when he gets out of work? And these individuals have a great deal of information to bring forward with regard to that.

Devine

I am sure that you all agree on the safety implications of this. When I came into the airport I saw the headline in yesterday's Sun Times about the drug use at the Zion plant and you had increased the number of inspectors to crack down on that type of problem.

Applegate

Apparently this was a rampant policy that was common knowledge to the point where the security personnel were totally overwhelmed and totally inhibited insofar as their ability to find the proper channel. And I think this gets back to why did Tom Applegate do this all in the first place. And that is that I was told by my contact at CG&E that I could not get this information to the proper authorities to get anything done about it, that I was just a mouse

compared to their cooling tower and that was the analogy that this individual used and who the hell did I think that I was to get the NRC involved. Now this was a system project engineer at the Zimmer site who indicated to me that you guys really don't have any clout as far as they are concerned. They can step right all over you. And you know, again I go back to the idea of the common joke was the inspector on the site could not find the red phone if he had to. That's how far it got. Now I think that that was an impression that was left with the low-ranking personnel by the higher personnel, the management personnel in the plant, the construction superintendent, the assistant construction superintendent, the project engineer, the assistant project engineer, etc. That was the impression that was left by them because their impression is that the NRC does not have the power to come in and solve any of our problems or take care of any of our problems because we just frankly won't let them. We won't let them find out about the drug use, we won't let them find out about the alcohol use, we won't let them find out about the raffling of prostitutes, we won't let them find out about the raffling of guns, we won't let them find out about any of this stuff. We will keep our boys happy and by keeping our boys happy they won't go to the NRC and they won't go to the proper law enforcement agency to get anything done.

Davis

Let me ask you a question. Do you or any of your people have any evidence of any kind of people who perhaps were drunk or doped to the point that they could not do work and they were doing work, or is all this just in the form of cigarette butts or beer cans left around?

Devine

*Drugs
9-1-77*

Yes. In fact I believe it was _____ who complained that he was not so much concerned that maybe an occasional drink was being taken. What he was concerned about was the people who were drunk on the job. I believe Mr. Hyde discussed with me how folks were drinking in the parking lots before they would come into work and then they would be drinking again during the lunch hour. People were frequently intoxicated. Just to go into the extent of this, Mr. Hyde described that there was moonshine being sold at the plant. To take criminal activity a step further, it was being sold in jugs and you could - it was very powerful stuff, now I don't know if there is a still in the Zimmer plant or not, but even just in terms of security problems the coordination of getting a series of jugs into a nuclear power plant - you would think that maybe they would be checked and questioned as to why they are bringing the jugs in and what is in them not being manufactured there. So it is not that we are really complaining about an occasional beer for your lunch, the people were engaging in this pretty heavily.

Applegate

One thing that I would like to indicate to you is that I am very sorry... that this information was provided a year ago and actually these men are talking about a period of time that goes back to 1978. So we are talking about - you are saying the plant is 90% constructed today - what was it in 1978?

Keppler

Well, even if it was 50% the point is that how do you transfer drugs into adequate construction or not?

Applegate

I think the way to translate that...

Keppler

We would all agree, I think, that use of drugs is something that shouldn't be tolerated. Accepting that fact, the point is how do we, the NRC, go in and try to assess the impact of that drug usage.

Devine

414
L-24-9
Q-73

I might be able to be helpful a bit on that. _____ said the day that alleges that there was liquor kept in the control room. And that would perhaps permit an inference on your part as a very sensitive job people might not be at their best in that some intoxicants are so disabling that you don't want to have a person working in the plant at all if they have taken that. _____ also alleged that employees consumed angel dust at the plant on the job. This is the kind of thing that if anyone consumed that in the privacy of their home I would think they are crazy, let alone constructing a nuclear power plant. I think it makes it easier for you if you find out the extent of the alcohol use or the drug use or whatever, if it's enough, if it is happening in large enough quantities that you can make an inference that almost certainly it is going to be turning up in some sensitive spots as well as just maybe just working on paperwork that afternoon or that type of thing. It is really necessary as to identify what parts of the plant it was being used at, when it was being used, what intoxicants specifically.

Applegate

As I indicated, I made the analogy that a pipefitter was derelict in his duties of being a pipefitter because he was out raffling guns. Similarly there were pipefitters that, according to _____ affidavit, were drunk

on the job and you have got to measure that a man's capability is insofar as performing his task as a welder or pipefitter when he's intoxicated on either moonshine liquor, regular liquor of any sort, or drugs of any sort. The whole point is that the highway safety committee says don't operate an automobile. We are talking about individuals who are constructing nuclear power plants. The whole point of what I am trying to say is that it was easy for a man to fall off a scaffolding maybe but it was just as easy while he is welding to sit there and look at that one beam of light and you know you wonder about his weld. And I think that was what had to say was that there were individuals that he knew of that right in the presence of authority, in the presence of supervision, were sitting there drinking out of a bottle. And all that supervision had to say was get rid of it and the guy would sit there and instead of throwing it away he would chug down what was in the rest of the bottle and then throw the bottle away. And the supervision said well, that took care of the problem, didn't it? This is the same instance when we have supervision saying, well, you know you are padding your time cards, just don't get caught. So what I am saying is the supervision took the responsibility and took an active part - Mr. Lautenlager, and some of the supervisors that were talking about took an active part in condoning this activity over a period of years.

Keppler

Let me tell you that we will be going back to interview _____ and have further discussions but I gather that he is the prime source of the information we are talking about.

Applegate

He is a prime source.

Keppler

Let me ask this question first, will he give us freely the same information that you have discussed here?

Devine

Of course we can't speak for _____, but I do have reason to believe that he told me that his goal was to be able to talk to the NRC - to people that he would trust and share all this information.

Keppler

Okay we can get a lot of that then from him. You mentioned that he is a prime source, do you have others that you can refer us to?

Devine

Well, we have given you Mr. Hyde, Mr. ...

Keppler

I mean on this subject.

P-1/17
Applegate

On this subject, Mr. Hyde, Mr. Harris, again the recent list of witnesses that we gave you this morning, Mr. Bob Tyner, all of these individuals - Victor Griffin, All of them know about the drinking and the drugs and so forth that was done on the site.

Devine

I have yet to speak with anyone who has denied that.

Applegate

Who was unaware of it.

Keppler

So we will be pursuing that with them. You mentioned a Mr. Lautenslager, he is the Cincinnati Gas and Electric security guy?

Applegate

Yes.

Keppler

You mentioned that people talked to him went to him?

Applegate

Continuously, these Yoh Security men.

Keppler

Do we have those things too?

Devine

Yes, these and the security guards who have provided affidavits or that Tom has spoken with.

Keppler

We have that material?

Devine

Yes.

Applegate

*p. 1/14
drunk
dope*
Let me also indicate that Mr. Dave Simpson apparently represents these security guards in a federal action by the National Labor Relations Board with regards to these security guards being kicked off the site as well and they feel that they were kicked off the site for two reasons. Number one, because they tried to unionize, which is not against the law, and they are trying to show in their suit to the National Labor Relations Board that this was one reason that CG&E just did not want a unionized guard service in there. And number two, and most importantly, because these guards were bringing up allegations of criminal activity that occurred at the site while they were there and they tried to get these allegations that these guards are being put down as sour grapes and employees who have been dismissed and in actuality they are employees who have strong concern with regards to the safety of the Zimmer Nuclear Power facility because they saw a lot of the construction personnel walking around smoking dope, drinking moonshine liquor, getting drunk and playing with their guns.

Barrett

Jim, do we have names of security guards?

McCarten

Yes.

Devine

p-11/14 Just to tie in your earlier query about how can we relate this to the problems that we have jurisdiction over, Mr. Hyde said today that for example describes that their lead man for the Yoh team who was in charge of security guards had a serious drinking problem and after awhile he was not good to anyone because he came to work "shitfaced" all the time, in Mr. Hiatt's words. You don't want to have someone intoxicated in charge of security for nuclear fuel. So I think that with more investigation you can tie in where the problems existed if that makes it easier for you to do your job.

Applegate

p-11/13 (And I think that that is something else too with regard to the safety of the fuel as it exists. Mr. Wright brought up to me that the fuel actually sits in an unsafe area as it stands today.

Keppler

What do you mean an unsafe area?

Applegate

Well, the walls around the 7th floor containment area where the fuel is stored are apparently what are called blow-out walls and that they were instructed by Mr. Lautenslager and by everyone in charge that should a tornado warning come up or should high wind velocities be experienced at the Zimmer Nuclear Power facility they were to secure the 7th floor as much as possible and abandon the fuel, leave it alone. And that if the tornado actually did rip through - and you have to understand we are in the tornado alley. If anyone doesn't know that, look at Xenia, Ohio and look at what happened to Cincinnati in 1973 - you have to understand if a tornado did ever hit and those walls were blown out, along with that would be 40 million dollars of nuclear fuel spread out over how many areas.

Keppler

Are you talking about economic considerations?

Now if it was not safe for the security officers to sit up there, we would have some concerns whether it was safe for keeping the uranium there and presumably the 7th floor is going to be there for the life of the plant the way it is constructed now.

Keppler

X It seems to me that this point is not an issue that we need to talk to witnesses on. Either the storage of the fuel is acceptable or it is not.

Devine

You go out and find out whether or not those are blow-out walls or not.

Keppler

X We could pursue that and we will.

Applegate

Well this is... you asked me to come with new information.

Keppler

Absolutely, and we appreciate it.

Applegate

And here I am.

Keppler

Now, do we have all the information? And let me say that the issue of drug abuse and alcohol obviously is a very sensitive issue to us all, and as I see it I don't know of any shortcut for this solution other than to go ahead and talk to people and try to get a handle for what parts of the plant were involved, the extent of it, this may lead us to decide that maybe we will have to do some independent checking. I don't know, but the only way to solve it is through a brute force technique of interviewing people.

8-1/6
Devine

The only other thing that I am aware of, Tom, if I have missed something is that Mr. Bedinghouse confirmed one of the problems that ⁴ raised on the leaks of argon gas from the crimping gaps in the containment area. Apparently Mr. Bedinghouse's son worked for W&W Security. His son John had become sick due to the crimping of hoses in the containment area when he was on duty there. He has also mentioned another fire in December 1980 in the containment vessel and he did not seem to think that that had been reported to the NRC. But since it had come out in the papers in Cincinnati I don't see how it could have been avoided. That is one thing that you might want to double check on. To just maybe wrap this up, in your earlier inquiry about the criminal activities, you don't have the authority apparently to grant immunity and I sure understand that a lot of these people are nervous about it. If it is not possible to give someone immunity in an initial interview, maybe there could be some arrangement that their statements to you would just be used for background and won't be held against them or could not be used as evidence against them until they can speak with someone and work out the details of what they are going to be held accountable for by themselves.

Keppler

Fine. We will pursue that one.

Devine

Okay.

Applegate

8-1/6
That was something that was very strongly indicated to me by Mr. Bedinghouse that he was very concerned for his son's safety because they were doing a fire watch in the containment vessel after my fire that I was involved in and that the crimping of the hoses again is a problem that has been reported at other plants besides Zimmer and that it was a common practice. I think Mr. Bedinghouse had a lot to say about that, but Mr. Bedinghouse said that this practice is continuing and that as recently as this past fall and winter his son was almost overcome by Argon gas while doing his rounds in the containment vessel. And again the containment vessel you have to understand at Zimmer, I know you guys have probably seen a heck of a lot more of them than I have, I have only seen one, but the one at Zimmer as far as I know has one hole that you can get out by the way the scaffolding is set up, or at least the way it was set up at the time.

Davis

We share that concern. If the utility is able to hide an existing defect so that we cannot find that defect we certainly share that concern.

Keppler

I would go further to say that if we find evidence that the utility is trying to cover up something from the NRC then we will take steps to deal with that point, but we have not thus far.

Devine

Suppression pool
One of the allegations that we have received was that in the suppression pool there was a problem that developed because the lining was too thin and it had to be reinstalled with thicker lining. And in the process the design suppression pool didn't conform with the actual construction of it. Some damage was done in terms of drilling and breaking through reinforcement bars in the process and that that was something that was covered up before the NRC inspectors came out with knowledge that they were about to arrive. It was more possible I guess when this happened because things were in a state of construction, but that might be one thing that you would want to check out. That was Dr. Fankhauser's summary memorandum.

Davis

Do we have that?

McCarten

We have Dr. Fankhauser's name.

Davis

He is your source for that allegation?

Devine

Yes. As a matter of fact, you probably...

11/3
Applegate

That is similar to the radwaste area where the drains are clogged with cement. All you have to do is pave over the floor and it is impossible to get to those drains anymore and has stated in his affidavit that he feels that there is a severe problem with the drains in the radwaste area.

Davis

Okay, we have that information. Do you have anything additional on that?

Applegate

Just the fact that the CG&E did not want the NRC to find out about those drains.

Davis

Well, we found out about them and we have that information.

Applegate

Did you find out about them through me or or...

Keppler

That was one of the allegations that you gave us.

Applegate

Good, I am glad to see that I am doing something positive. Bringing at least some good people to your attention.

Keppler

While I don't want to get into a position of discussing an ongoing investigation where new information is coming incompletely, as we are learning as part of our investigation I will tell you that the argon crimping thing is a matter that we have brought the OSHA people in on. Because that really is an occupational or industrial safety consideration rather than a nuclear safety consideration. But we have corresponded with them and we will be keeping in touch with them until the resolution of this matter.

Applegate

Right, and you boys apparently wanted OSHA in and CG&E was not prepared to block OSHA out. But let's just say CG&E, look at their records, how they have blocked out regulatory agencies in the past, taken them to court, taken them to federal court and tied them up to the point where by the time OSHA got there there was nothing to see.

Keppler

Are there other new areas that should be focused on?

Devine

Unless I have missed something I believe that we have shared all the general issues that have been covered. We might go into a little bit more detail on them.

Applegate

break in
The only thing insofar, and before we begin talking in detail, my concern was that a lot of this information bears on the Aldredge problems with regards to the security guards having information that might lead to finding who broke into that trailer and whether or not Peabody Magnaflux is missing something and that relates to safety.

Keppler

That has been very helpful and we appreciate that. I'm sorry Mr. Devine, did you say that you had additional information?

Devine

8/1/13
I think that is significant at this point, just that Mr. Wright confirmed that nuclear fuel had been left unguarded. People could not go to the bathroom without finding a replacement for them because they are understaffed. More details of confirmation as far as any new issues, I think we have shared what we have.

Keppler

So it is fair to say at this point in time we know all of the issues that have been flushed up to you right now, as related to nuclear safety?

Applegate

7 We have talked about the idea that there are some people who want to talk to you directly, such as I will give an example, Bill Ross, is a former security guard who is on our witness list who is currently the Chief Investigator for Claremont County Welfare Department. He is a man who cannot come to me and talk openly and cannot come to the Government Accountability Project and just spill his guts. What he wants desperately is for someone to come to him with a subpoena in their hand and say we need to talk to you. Okay, now be it the NRC or be it the Justice Department, Mr. Ross has some valuable information with regards to activities that might relate to the safety aspects of the plant. Now I know that the NRC has subpoena power. Please provide that for Mr. Ross because Mr. Ross needs one of those before he can leave his job and he is interested in protecting his job and protecting what he has done. I am sure that with a subpoena in his hand from the NRC he can say, hey, these guys want to talk to me, this is something I did in my past, I have to be responsible for the law enforcement activities that I conducted before I came to this job. I am sure you understand, this is subpoena, it is just like the National Guard has said it's time for me to go to my weekend warrior situation.

Davis

Do we have Ross' name?

McCarten

Yes.

Davis

And you are saying that the only way he will talk is if we do subpoena him?

Devine

Can you get a subpoena? Can you use one?

Keppler

We have that authority, yes.

Applegate

And I would say Mr. Harris, if you don't get any positive response from a simple letter you might have to subpoena Mr. Harris.

Keppler

What I would like to do now...

Applegate

For all I know, you see this is a group of men, when I talk about Jeff Hyde, Steven Harris, Ron Wright, Jim Bedinghouse, Tim Creighton, these are all men who are involved in that NLRB suit. Okay, so they have their own egg to fry and they don't want to let out all they can. The way Ron Wright put it to me is they have a can of beans here, okay, and they have a lot in that can of beans. So they don't want to open up that can of beans or that can of worms or whatever, before they know they have to fry it. You have to understand how these good old boys talk. But the whole point is that he doesn't necessarily want to open it up to the NRC when it is going to be an NLRB matter. So you have to understand that they have reasons to protect the information that they sit on and you are going to have to guarantee these men. It may be that you would want to speak to them in groups, in mass, or contact their spokesman who is Dave Simpson, that might be important to know.

Keppler

I also like Mr. Devine's suggestion that we might talk to these people in the light of them giving us some information that won't be attributed to them directly but will be used to assist us in scoping this thing. What I would like to do now is we have, as I think you are aware, been spending a fair amount of time on the additional points that were brought forth due to the information that these people provided us. Some of these areas we are having a little bit of trouble with because of the general nature of them and I would like to have Jim and Paul be able to bring up some questions that they might have so you might help us a little bit more if that is okay.

Devine

Tom just inquired as to when you will find it convenient to break for lunch.

Applegate

We were thinking of caucusing. We have accomplished a lot in our new information session, and it is quarter to 12. I was thinking I would like to caucus with Tom over lunch and talk about some things that we are going to be going through, etc. And I think these gentlemen before they get to this would probably like to have a little breather. It is quarter to 12, maybe a good time?

Devine

We know you are pretty busy. We don't want to take up any more of your time than necessary.

Keppler

Okay we will break now.

Keppler

Is it acceptable to you people if we proceed in the direction we were talking before? I'd like to go back to the first package that was submitted by GAP that raised the additional 19 plights over and above what was previously dealt with. I think we have been pursuing these for weeks now. We have had varying success on these things.

Devine

A few of them were more anecdote than substantive.

Keppler

I understand this, but some of them were fairly general and we have some areas that we would like to ask you about to sort of help us on.

Barrett

The first allegation I'd like some information on has to do with the residual heat valve that was broken accidentally when a pipefitter bumped into it. And the correct question is how you know he knew it was good or bad. Can you give us the source that told you about this valve and along with the source? Can you give us any location, valve number, pipefitter name, date ...

Devine

That would be

Barrett

Do you have any other specifics?

Devine

4 I believe that when I spoke with _____ I went over a list of everything the gentlemen told me and got confirmation or asked him to point out anything that is not accurate. That is my general procedure. But just to economize on my own time I don't ask each and every witness that I speak with to ...

Devine

9-1/5 That was _____ also. If I am not mistaken confirming that with me.

made a point of

Barrett

Did they give you any specifics such as the crafts involved, pipefitters, iron workers, that type of thing?

Devine

You see on page seven of the _____ affidavit he observed this at the shed where the welding instruments are kept. He, I understand it, protested to some of the supervisors who worked there. He also informed me that the ASME was concerned about the problem so you might try and get in touch with some people at ASME and find out who it was who was making noise about this.

Barrett

Did he address any type of specific paperwork which he thought was not being controlled properly?

Devine

I believe it was signing in and signing out and returning the welding equipment is what he was referring to. He said rods routinely were taken and kept away from the shack without the necessary paperwork. His concern was not only that there could be some damage to the equipment but some of it was being diverted and being stolen.

Applegate

Welding rods, as he explained it to me, welding rods were being taken in and out of the shack without the proper paperwork, without the sign-in and sign-out and where the welding rods were being used apparently, or something like that.

Barrett

Did he give you any specific time frame that this was occurring?

Devine

#5 He talked about 1979 where there was some paperwork done on it. He said that he personally observed the problems in the late summer of 1979. Mr. Griffin talked to me about similar types of issues, but of course he was gone quite a few years earlier. So for your most timely evidence you wouldn't be able to get too much help from him.

Applegate

Except that Mr. Griffin denotes a continuing pattern.

Devine

Mr. Griffin notes a lot of problems which I think are structural in terms of how the utility is handling their quality control as well as identifying things which he protested some time ago which apparently still had not been solved. In terms of this specific issue, it is really and

Barrett

#6 The next one is the argon gas which was turned over to OSHA. Earlier you mentioned Mr. John Bedinghouse and Jim Bedinghouse. Do you have any specifics along the line of what time frame did this happen in?

Devine

I have to defer to Tom on that.

Applegate

Yes, John Bedinghouse. This would have been late fall or early winter of 1980, I believe. If I got my information from Jim Bedinghouse correctly. John didn't speak with me directly about that, he said that he would refer me to his father and let his father explain what happened.

Barrett

As far as the location, did he say in the suppression pool area?

9/8/

Barrett

47

That is a continuing About three or four people are a source for that. One is John McClung, the security guard that was responsible for receiving the pipe. He had contact with someone at CG&E offices and they were the ones that instructed him to have the pipe brought in on the truck and just simply unload it. So that was John McClung. _____ was the man who helped the man unload it.

This when he was taking me out to the airport last summer expanded on that to some degree and identified individuals not included in this affidavit who was handling the immediate process after the problem was discovered. So probably could give you a few more names than we provided in the affidavit.

27

And then again Peabody Magnaflux employees, Alan Sellers, Steve Sellers and all the people at Peabody Magnaflux that were responsible for X-raying that pipe.

45

The next one you indicate that you have three different sources which estimates that 20% of the plant's prefabricated wells are defective. Can you give us those three sources and any others that you have?

Applegate

One would be _____

Devine

That has come up several times so maybe I could go through.

Applegate

If you're looking to whether or not I can answer that spontaneously, I would say and the Peabody Magnaflux people. I believe it was either Allen or Steve Sellers. It might have been Dave Hang. I don't know - one of the Peabody Magnaflux people.

Barrett

Do you have knowledge of what they based their estimate on? Why not 15%, why not 25%? Why did they say 20%?

Devine

I think that it was just that. It was an estimate.

Applegate

It was an estimate based on the fact that the X-rays that they had been seeing. You have to understand was the pipefitter on the 3rd shift responsible for overseeing Peabody Magnaflux X-rays of pipe at the plant and they were estimating 20% of the wells that they were shooting had problems in them. In these 20% those were the ones they were most concerned about. Now they took into consideration the fact of shooting while there was water in the lines and shooting while there was other problems overlapping, etc. But when they explained this to me their best estimate on the 20% figure was arrive from what they had shot over a period of many years.

Barrett

They being Peabody Magnaflux with

there?

Applegate

HB Right. Peabody Magnaflux, and confirmed that. Tyner,
I believe, had some input into that.

Barrett

This is of the shots that they made at the site?

Applegate

X These were prefabricated welds they were talking about.

Devine

HB
This was just an estimate because they weren't as a routine checking the prefabricated welds. When they would check the ones that were done at Kaiser there would be overlaps in the radiographs and it would come up in conversation that there seemed to be problems in the welds that are coming into the plant as well as the welds that are being done here. I questioned both and about what's the basis for this 20% figure and they said just based on the occurrence of how frequently it cropped up that was kind of the party line among the plant employees and that they very well could have been off. It could have been 12% or it could have been 30%.

Applegate

I think the 20% figure was something pretty universal amongst the pipefitters.

Devine

Yield
Weld
rejections
Mr. Sellers, Steve Sellers, said that there was an unusually high proportion of rejections of welds that was done at Zimmer, about three times the normal industry average. Which was something that we found very significant in light of the records Mr. Phillip checked which found it was less than the industry average and, as a matter of fact, the utility was more aggressive by going after bad welds than Peabody Magnaflux. So we think it is something significant to check out. Although I caution you that I have spoken with

Mr. Seller since he talked with this investigative reporter and he is much more cautious now. Not in terms of denying his previous statements but in terms of saying I don't know why everybody wants to keep going over old things we're not going to be able to solve that now, it's too old. So it will probably require a little bit of encouragement on your part to open him up.

Barrett

On the rejection rate, did he indicate to you that the ones that were being rejected were not being properly ... ?

Did not answer this question.

Devine

That is a common theme. In fact, that seemed to be a major source of the conflict between Peabody Magnaflux and the utility. It was holding up construction because they were coming up with so many rejections. And there's no alternate explanations. One was that Peabody was just too slow, that they were inefficient and they were holding up construction. The other explanations - they were finding too much stuff wrong and that's what was holding up construction. As far as we can tell there was not direct pressure. A number of the witnesses said there wasn't direct pressure to stop reporting that there were bad welds. The pressure was to stop complaining about being overruled on them.

Applegate

5/16/85
I think it should be noted too, that and I had a conversation that is on tape on the body recorder. That I have tape from him when he was not aware that I was an investigator. He discussed a lot about the welds on that tape. I think it should be noted that these gentlemen were totally unaware. They thought I was a cost accounting engineer. They were totally unaware and were not apprised of my fact or real position as an undercover investigator until CG&E made the fatal mistake of telling them. And boy, I'll tell you, that is one of the most fatal mistakes CG&E ever made.

Barrett

Is role in this explanation a confirmatory one or did he also ...

Devine

I believe that I provided you all with my memo of my conversation with him and it was primarily confirmatory but it is a three page memo because he did open up a little new ground.

McCarten

Are you sure, when they are talking 20% rejection rate, are you sure they're talking about prefabricated welds or are they talking about their welding program as a whole finding 20%?

Devine

#8
Handwritten note: I was quite specific in my questioning on that Jim and it was the prefabricated welds that they were referring to. I think a partial explanation for it is that these folks are much more forthcoming about criticizing outside firms' quality than their own. It's kind of a common theme among the employees is that we were doing a good job but it's just that these outside groups weren't. Mr. Sellers would have been talking about the welds that were done at the plant as well.

Applegate

I think it might be worthy to note too, insofar as reference material is concerned, that Pullman-Kellog is the same company that provided welds for the South Texas Project.

Barrett

From my understanding of our earlier discussion of this issue you were saying that the welds they were questioning were the ones they radiographed on site.

Devine

#8 | Yes.

Keppler

Let me focus on a point just for clarification. If the contention is that 20% of the prefabricated welds were faulty, it would seem that we ought to be able to verify that completely by a check of the vendor shop. They are required to maintain the radiographs there by regulation and so we ought to be able to do a review at that place. Correct?

Barrett

Yes.

Applegate

48 However, let me point out as is pointed out in my affidavit that when I brought this up to Mr. Murray, the assistant project engineer, that I was getting feedback from the pipefitters and the quality control radiographers that up to 20% of the prefabricated welds at Zimmer may be faulty, his patent response was: look we have paper work from Pullman-Kellog to say that this stuff is all right: we don't really care whether or not the stuff, if it breaks down at that point, then it is Pullman-Kellog's responsibility because they gave us the paperwork and if the paperwork is faulty that is Pullman-Kellog's responsibility and not ours; we bought the stuff from them; if it breaks then we are going to be down on them. But the whole point is that was his patent response to that allegation of 20% faulty welds. He said that to go into that area and look, he made an example, he said look we had a guy out here who was accidentally shooting in the wrong area. Peabody Magnaflux is doing the same thing that this other place did and that was that when they were X-raying in a certain area they found a faulty weld and it cost us a million and three quarters to go around and redo all those damn cable trays and we are not going to redo these pipes. He just sat there and he was just really adamant so what there is problems there, we don't want to hear about it, we don't want to hear about it because we have got the radiographs from ... He was almost livid at that point. Whenever I would bring up the fact that there is a possibility that 20% of the welds down there were faulty, Mr. Murray used to just go out in left field.

Keppler

Who is Mr. Murray?

Applegate

Mr. Murray is the assistant project engineer who was my direct contact.

Mr. Keppler

From Cincinnati?

Applegate

Right, for Cincinnati Gas and Electric. He was my direct contact as an undercover operative.

Davis

If we go back to Kellogg where they keep on file radiographs for these welds, are you saying we cannot rely on those?

Applegate

fb According to Mr. Aldredge he said that those can be doctored and he said
certainly they can be doctored if the intent to defraud and deceive is
there originally. And he talked about Pullman-Kellogg. He said the Kelloggs,
the Bechtles, the Brauns, he said these prefabricators they can really lay it to
you. He said we get this stuff in here and it is a piece of crap and this
is what was in his conversation. I would refer to his conversation with
regard to the prefabricators. With regards to the prefabricators, he named
them all and he said ... you know what I am talking about ... he said these
prefabricators can really lay it to you. What he was basically saying in
essence there, I believe, was that he believed his men down at the site that
they did a good job because we reemphasized that twice on the tape, your men
did the right job and Kaiser was trying to push you guys around so it looks
good for them. He said "Well you are right" the first time. The second time
he said "you are correct." The whole point was I hit him with that twice to
make sure that he understood what I was saying, that Kaiser was trying to
force them to say something that was contrary to what their men found doing
a good and proper job. And what their men found doing a good and proper
job was that these prefabricators were coming out with welds that won't
hold up.

Barrett

This is Mr. Aldredge?

Applegate

Right. Ernest Aldredge.

Devine

49 To add a little bit on this 20% figure it is not in affidavits but he refers anonymously to a supervisor there who agreed with him. That would be Bob Marshall. As far as the question of whether or not to trust Pullman-Kellog's radiographs, we sure understand that you can't go out and re-X-ray a nuclear power plant. It is impractical. suggested that what he thought was necessary to clear up the suspicion was to select a relatively limited number of welds that could be recommended to you by plant employees, pipefitters, and check those out so you would be basically doing an informed spot check.

Davis

We would be doing our own NDE. We know that as a way to do some of this.

Applegate

You see I have certain reservations with NES in the fact that they came in and supposedly did an independent check on Peabody Magnaflux's work. And my problem with NES is that I think they had a vested interest obviously because they ended up with the contract. I think there is some question there. Plus the fact that NES came up with some unresolved welds and we still haven't heard the end of it.

Davis

Has NES now replaced Peabody?

McCarten

Yes, they are the radiographers on site.

Devine

I had said earlier that it was Mr. Sellers who gave the higher figure of 39% rejections, that is Mr. Steve Bennett who had given that figure to the investigative reporter on the 39% rejection rate based on his experience. I don't know if he is on the actual witness list or not. I could give you his phone number. If you would like, probably at least as much investigative work as we have done was done by this reporter who shared his notes with us, I can ask his permission to

McCarten

If he wants to talk to us we would be glad to talk to him.

Devine

...talk to you and to share all his notes with you.

Barrett

The next one has to do with engineering designs that are routinely drawn after the fact. In other words you don't really ... We would like to have your sources on that.

Devine

I believe that was _____

Applegate

_____ and Mr. Tyner. Jim Tyner is a man who does a lot of that type of work himself and the whole process was that if it didn't fit redesign it and design it to fit. Don't design it to be a necessity. It was like, they were explaining to me that the water intakes down by the river were facing the wrong way at one time or another and they had to redesign the way the water intakes were. And they still don't have that problem solved or apparently they had not resolved it when I was there because they were burning out feed water pumps at a rate of every time you switch them on. And I think that what _____ was alluding to at that point was in the same situation with an 8" pipe versus a 10" pipe-they told people when they put in the 8" pipe that this wasn't going to fit and wasn't going to work and it was going to have to be redone. And they went ahead and put

39
1

in the 8" pipe anyway and then all that piping had to be torn out and reinstalled as 10" piping just exactly as the men had said. If you had followed the original specifications you would have what belongs here but you have done so much redesigning and so much rework on a lot of this stuff that nothing fits anymore. And that is when they came down with the reason why a lot of this has slowed down according to and and Mr. Tyner was that they redesigned so many things to fit conveniently for one reason or another that a lot of the original stuff didn't fit anymore.

Barrett

Do you have any other specific indications or information regarding the pipe sizes other than what you just addressed? You know - piping systems.

Applegate

EB

I think that and Mr. Tyner as well as the Peabody Magnaflux people had identified certain welds some of which I understand were cleared up under the first investigation and apparently still stay resolved. I don't know what the situation is there. Some of which were part of a group that are still unresolved. Some of which were in a questionable category. I don't know. If I read right in the first report from the Nuclear Regulatory Commission there were three groups of pipes. During a subsequent inspection September 18 and 20 and December 11 and 12, 1979, several more discrepancies were identified. CG&E then hired NES.. The review included 2,390 radiographed welds. Of those 958 had report discrepancies. That is the big question mark. 543 had some technical problems and 14 were held to be unacceptable. So apparently some of the ones we have identified with and Mr. Tyner were some of the 14 and some were part of the 543 and some of them were part of the 958 but what and Tyner were saying was you have these discrepancies and there's your 20% and it is in that figure somewhere. What they are saying is a lot of these pipes are not right down there and that they are going to have to be either or. And in a lot of situations the utility according to Mr. Murray was in the position that we can't redo those pipes. There is no way we can redo those pipes. Because we would have to tear out so much other stuff to get to those pipes. So the whole point is we plan to open up that big question mark hanging over them?

Barrett

Other than the pipes that you described now and earlier, you don't have any more specifics as far as pipe sizes or anything like that to help us tie in information that ... design ?

Applegate

No. I think you have the numbers on KAU - right?

Devine

#9 On the designs, it is not a size of pipes but architectural design. Dr. Fankhauser would be a person to talk with on this problem that they had in the suppression pool with the reenforcement bars not being where they were supposed to be in the blueprints. And that is going to require pretty good detective work on you folks part. You see that was from a source that you can't locate anymore. I think that the accuracy of the criticisms can be confirmed fairly well just by checking the designs versus the locations of things. He does have some background on this individual because he talked to him for awhile ... in his home. He just hasn't been able to reach him again.

McCarten

A lot of these workers were fairly transient.

Applegate

in welding pool
in weld. pool
The transiency of the workers was of great concern to all of the people that talked to me. The fact that there were a lot of boys there from New York and there were a lot of boys there from Pennsylvania and there were a lot of boys there from this and the other place that they had never been around and a lot of them just came down there to party and there were gentlemen there who had other people taking welding tests for them and were not qualified welders and things like that. That was the whole point. You had a lot of transients coming in there that were flashing union cards that were of questionable character.

McCarten

Who specifically gave you the information regarding people cheating on their welding examinations? Is there somebody we can talk to that has specific knowledge about this?

Devine

Mr. Hofstadter was the guy for Husky.

*checking
welds
and tests*

McCarten

That was a vendor though. What about at the site?

Applegate

I think you would want to talk to _____ and Jim Tyner and again _____

Barrett

The next allegation has to do with electrical cable tray hangers and cable filling cable trays. Again, we would like to know your source for this.

Devine

410 My direct source was Hofstadter although I know it has been confirmed in some of these notes from the reporter. As to which of these witnesses spoke on that I would have to do a little researching.

Barrett

You address two things in that allegation. One is faulty welds and the information I would like to know there is what type of welds are you talking about. Are they cable tray hangers or do you have any specifics on the welds that you are talking about?

Devine

I believe you have the Hofstadter affidavit.

Applegate

You have the Hofstadter affidavit?

Barrett

Yes we do. I just wondered if you had any other information other than what you... again I am trying to exclude anything that you have already given us from any additional information you may have.

Barrett

So what I am hearing then you are actually addressing both of them. You say they are too tightly packed which generates too much heat. So you are more concerned about the amperage then than breaking a hanger down?

Applegate

Well both. I would say both equally.

Barrett

The next one has to do with the heat exchanger control panel that was mistakenly operated or operated improperly to 1200 lbs. to pipe that was only designed to carry 300 lbs. What is your source for that?

Devine

8/14
12
That was and and I believe that you ought to be able
to confirm that just by raising the topic routinely in your interviews
because was not in the immediate area and heard it and said ..
my God or something ... I would assume a number of employees witnessed that.

Barrett

Do you have any more individuals?

Devine

None.

Barrett

8/14
Going back to the issue that you raised with the drinking. You also identified a concern about people that are prone to violence on the site. Again I ask for the sources for that and also can you give us specifics other than what we talked about this morning?

Devine

Well, not other than what we talked about this morning and in affidavit.

Applegate

I would say everybody we talked about this morning. All of the security personnel would verify that, as well as Every conversation it comes up there were these transient people that were coming in and out; a lot of them had prison records, a lot of them were very violent people plus the fact when you were doing things like PCP and Angle Dust you had the potential there for violence. I don't know if you have ever experienced a situation where someone has laced a marijuana cigarette with PCP or if you have had an experience where, I am not saying you yourself, but I have had experiences in my investigative career where I have had to deal with individuals and I think it is a rather well know fact in law enforcement circles that anyone who is on this type of drug or who is using this type of drug routinely as well as moonshine. I think that a lot of people who do the old shine get rather violent in nature because of the type of drug they are on. It is almost pure grain alcohol. The whole point is that there were a lot of fights and there was a lot of violence down there because of the excessive amounts of drugs and alcohol.

McCarten

It is based on your observations then, this allegation?

Applegate

I saw a couple of situations myself while I was there that could have literally exploded into deadly dueling fights. Plus, I would like to indicate that there were guns on the site which is strictly in violation of the law.

Devine

Maybe, Mr. ... could help you on that issue. I didn't speak with him but the reporter did and he was quite forthcoming and ...

Davis

Do you see a relationship between that violence and improper construction of any kind?

Applegate

Yes. I see a relationship and I think the people we have talked to see a relationship because when you have men that are involved in all these extracurricular activities they can't be very involved in their work. And a lot of times they had too many employees down there simply because they wanted to keep the unions happy or they wanted to keep somebody happy. They had all these guys down there partying while other people were trying to get their work done and they would interfere.

Devine

And also it is just a matter of common sense I think Mr. Davis. Like this fellow Mad Dog who was running the hot gun operation there packed with weapons. It was like a joke. He had so many knives on display.

Applegate

Don't mess with Him as he walked in you could see that he was carrying many weapons. It is just like if I walked into this room and strapped under my coat was a large 44 magnum with a 7" barrel I think you gentlemen would agree that it might be intimidating to you all.

Devine

If nothing else it is a distraction.

Applegate

414 If nothing else it is a distraction to you sitting around at this table. Somebody is going to be sitting there saying I wonder if he is going to get mad and pop off me. And the whole point is this Mad Dog and Jim Hardy and all these people that were running around raffling off guns and raffling off prostitutes and everything else they knew to be hardcore characters and watch out and be aware, etc. and a guy might be sitting there doing a weld and everything at the same time he is looking over his shoulder to make sure somebody isn't coming after him with a Bowie knife. Because he offended his wife at the lunch hour or something like that.

Devine

I would be very surprised if we were able to get direct evidence¹ on this. This thing was so well organized in terms of the criminal activities with books for the raffles for every different black market operation. They were all printed up and stapled so you could pull out each ticket. It is a very well organized operation and I just want to know who is organizing this thing. This is well put together. It seems like there has to be some sort of tie-in with an effective organization whether or not it is the union or whether it is organized crime or whatever. You talk to people and you always ask that question who is behind this? - do you know anything about the Mafia? - if there is a bookie operation that has outlets all across the country, shouldn't the Mafia be involved here? And the response I consistently got is I didn't want to know. I had enough common sense not to ask those kinds of questions. We are just concerned with something that is this well developed that organized crime might be connected with it. And I just think it is a matter of any kind of common sense, organized crime is not interested in safety issues it is a business operation. And if it is that bad it almost terrifies me that those are the people who are making decisions on where to cut corners of having any type of influence over the employees that we are relying on here.

Applegate

That is the point. That leads right into what I want to bring up and that is here you have people of responsibility, supposedly responsible, when you have people like Bob Marshall and Bill Murray and Fred Lautenslager etc. and the supervisors, C. K. Smith, etc., (the people that were in charge there for Kaiser and Cincinnati Gas and Electric) turning their heads and telling the security people to turn their heads to this type of activity. The whole point is was this condoned and if it was condoned for what reason was it condoned. Was Fred Lautenslager getting fat off of this or was somebody else making something off of this. We know Bob Marshall got a room added onto his house and we know he got his wife's car redone down there at the plant, etc. What were they getting... common sense would tell me... I can't understand how these practices flourished as much as they did and as long as they did without all these people... now I don't know if I would put Bill Murray in that category because he was one of the strong people who wanted to hire me to find out about some of this activity. But the whole point is they couldn't control it so instead they condoned it and in condoning it weren't they in a sense becoming complicity. I think that is probably a question for DOJ. The whole point is in my estimation when you have Fred Lautenslager and he is sitting there looking at a handful of marijuana butts and the security guard says he found them in this area and I found them in this area and I found them in this area and Fred Lautenslager knows darn good and well they are doing sensitive work in this area and they are sensitive work in this area and they are doing sensitive work in this area and these employees that are doing this kind of stuff were doing sensitive work on the plant, why is Fred Lautenslager telling the security people not only do I want you to turn your heads but I want you to quit bringing this stuff into me because I don't want it on my conscience. See what I am saying?

Devine

Tom we will probably get back to...

Applegate

I am just saying this is the followup on your question.

Barrett

Earlier this afternoon you also addressed welds that were being rejected by PM and later accepted by Kaiser. Other than the information you gave can you give us specifics as to what welds were rejected and later accepted?

Devine

I would have to defer to Tom on any specific weld. I believe talked
about those and the source for those specific welds would be the Peabody Magnaflux
employees as well as. ..

McCarten

When you talked to them you had a tape recorder on so that will be on the tapes?

Applegate

Not at all times. Only one conversation did I have with [redacted] did he ever get into that type stuff.

Devine

Tom, who are the PM employees who wanted to set up a meeting for you to show you the evidence and you were called back...

Applegate

Allen Sellers, Steve Benning and Dave Hang. They wanted to set up a meeting for me to review the material that they said was going to be incriminating about these welds. When I indicated to the utility that I was going to have that meeting that is when the utility promptly fired me and decided I was of no use to them anymore, that I was getting into an area they didn't want me to get into and that was also the weekend that there was the breakin of the trailer.

#7 \nearrow
break-in

Barrett

Does that include all the ones that have addressed this concern involving accepting after reject? In other words the gentlemen you just spoke of, PM and Mr....

Applegate

Right.

Barrett

One last question and I will be finished. The comment was made that a KEI employee has a detailed journal of safety hazards and incidents at Zimmer. Can you specifically tell us who that individual was?

Devine

418 Sir I am not sure if I have his name here but _____ is the initial source of that information. And I can also go back and check my notes on that if Jim for some reason does not remember anymore who it was that he referred to.

Applegate

A18 I would indicate that as far as journals are concerned apparently Dave Simpson of that new list that I gave you this morning kept a journal of problems.

Barrett

When they were talking about these safety hazards do you know if they were of the nature of OSHA concerns or NRC concerns?

Devine

What was that again?

Barrett

In this journal they are talking about...

Devine

Personal concerns.

McCarten

I have one last question. You made a lot of statements about PM employees being intimidated and we have a lot to work from that but you say union pipefitters also. What is your source for that? Is that you information about the intimidation of union pipefitters? who gave

Applegate

Right.

McCarten

What was he referring to, his intimidation or...

Devine

When he was fired went through a kind of evolution for this union. Initially backing him on local level and then apparently getting some word from the international level to back off and concerns that the plant would go to nonunionized employees if they pushed this too much. So I think when talking to him we can find out.

McCarten

Talking to him we could find out...clarify that.

Barrett

Does

address any specific pipefitters to you?

McCarten

Himself...

Applegate

Himself, but there were others.

Barrett

He didn't give you names?

lk

ect
a-
s
ma-
justice
il as
ciated

Tape #1

P. [unclear]

6

John, what did you say your title was?

I'm Staff Director Investigation Enforcement

Well let me thank you both for coming in to this meeting. Mr. Appleby, Mr. Devine, Kirk Davis met for a few minutes in my office and we have agreed to tape this meeting today. There are two tapes being run in parallel and a copy of one tape will be given to them at the conclusion of the meeting. In addition, we will make a transcript of our tape and provide them with a copy of that. And that's to go to you, Mr. Devine? We also agreed that the transcript of this meeting would not be made public while the ongoing investigation is taking place so as not to interfere with any investigation. What happens after the investigation is up to the parties involved. Let me introduce the NRC people here for you so you can know exactly who they are and what they are doing. I'm Jim Kepler, I'm Director of the Region Three office, on my immediate right here is Kirk Davis, the Deputy Director, Mr. John Streeter is the Acting Director of Enforcement and Investigation. He was recently put in this job about a month or so ago. We had a reorganization and he in that position for Region Three. Mr. Ted Gilpert is from the ID Headquarters Staff. He has been helping us on the interviews of some of the ex-workers of Zimmer down at the _____ana facility and I asked him to come out because ultimately this case will be documented through the Washington people and I thought he ought to have a first hand observation of this meeting. Mr. Art Sneplen, the Office of Inspector and Auditor, these people as you know are involved in the investigation of Region Three's earlier investigation

Mr. Applegate's allegations and we invited Mr. Sneplen to this meeting also. Mr. Bob Warnick to his right is the Section Chief in the Resident and Project Division of our office and he is the supervisor responsible for the

inspection program, overall, at the Zimmer Station. To his right is Mr. Paul Barrett. Paul is the principal Inspector at Zimmer for the construction program. And next to you Mr. Devine, is Jim McCartney. He is our investigator on the allegations and additional information that was provided to the Merit Systems Production Board by GAP via Mr. Appleby.

He is out of Region Three?

Yes, he works on the Region Three staff. I guess I would just like to make a couple of introductory remarks here to kick this thing off. I want to say that I recognize that the GAP organization and Mr. Appleby have expressed some concerns with _____ investigation of an earlier investigation conducted by Region Three into an allegation that you made and I guess I want to assure you up front and for the record that we are dedicated, committed to a total investigation of the matters that have been brought to us. Mr. Davis and myself are personally in directing and following the investigation into the material provided by GAP. In the interim, NRC's office of Inspector and Auditor, of which Mr. Sneplen is a part of, are involved in an investigation into Region Three's earlier investigation of the allegations that were brought forth last March or April by Mr. Appleby.

As I mentioned to you earlier, we had not planned to interview Mr. Applegate as part of our ongoing investigation because we largely thought that we had all the material that we had in connection with the investigation given to us through the GAP organization. However, when you contacted Mr. Davis in my absence last week and indicated that you had some new information that had not previously been given to NRC we moved promptly to interview you and we appreciate very much your willingness to meet at this time.

Mr. Kepler I would like to clarify not that Mr. Applegate was withholding information, he hadn't obtained it.

Fine, whatever. We just assumed that we had all the information and quite frankly, we were aware that obviously that Mr. Applegate had felt we had not done our job properly the first time around and when you think you have all the information basically no reason why you go back and hear about all the things you did wrong previously.

Well I think more than anything else, it's not so much a case of I didn't come up with all the information as it is that in the position that I'm in, I'm in a position where information is coming to me constantly and it becomes a hard situation when you don't know what the Nuclear Regulatory Commission is doing. They've been by press accounts in your town for two or three weeks and nobody has talked to you and you are getting all this information thrown at you from other sources: this person has this to say, this person has that to say and that person has that to say ...when I'm getting this information it becomes hard to relay that to GAP and then in turn get it relayed to the Nuclear Regulatory Commission when you know that all you've have to do is reach out and say "Hey, Mr. NRC, I'm right here and you know, all you have to do is ask me." I've always been a person who with any federal agency that I have worked with and I've worked with several and said all you have to do is come up to the front door and show your identification and I'd be glad to sit down and talk to you. Information is coming to me almost constantly from sources within the Greater Cincinnati area with regards to the Zimmer situation, and it is getting to be a strain on this non-profit organization as well as on this non-profit individual to try and get this information to the Nuclear Regulatory Commission NRC in town? An idealnow I wholeheartedly approve of your actions in having this meeting here in Chicago rather than

in Cincinnati. I think that is a good move. So I have no objections to coming to Chicago any time you want, if you'd rather with me here than in Cincinnati. But I think you should understand that there are individuals who are going to - through one way or another - get ahold of me because my number is not public and my address is not public. They are going to get to me one way or another. They get through to me through grass roots organizations that have their own problems with Zimmer. They get to me through the press. I've had various members of the press who have said this individual wants to talk to you - he has valuable information to bring forward and so forth. He feels that you are the conduit to release this information because you are obviously by all accounts in communication with the Nuclear Regulatory Commission. So I wanted to make sure that that communication was there.

Well perhaps one thing that we might work out today is some kind of periodic contact while we are down there to see if you have any additional information. We can talk about that as we go on. I think I'd like to focus the meeting on at least - from our point of view on trying to get whatever new information you have to assist us in our ongoing investigation. And when we've completed that I'd like to allow the people doing the investigation to ask you some questions in areas that they are having trouble pursuing based on the documentation received so far. If there are other areas you wish to pursue, we'll gladly do so afterwards but I'd really to focus - to help us on our ongoing investigation. Focus on the new information and clarifying some of the points of concern that we have. Is that acceptable to you? Okay, consistent with a point you raised with us Mr. Applegate earlier, I guess I'd like to before we start this I'd like to take your statements under oath if that's acceptable to you.

That's perfectly acceptable.

Will you raise your right hand? Do you swear that the statement you are giving today is the truth, the whole truth and nothing but the truth so help you God?

I do.

Mr. Devine, how do you feel about

Mr. Devine, do you swear that the statements you are giving today are the truth, the whole truth and nothing but the truth so help you God?

-----.

Thank you very much.

Well I think I'd like to start with asking you to provide us with information that has not been provided to us through the previous packages that have been given with the original GAP's Merit Systems Projection Board or the subsequent enclosures that have come afterward. Let me clarify with you the enclosures that you see thus far. It is my understanding that we received the original package that was provided to the Merit Systems Projection Board - we subsequently received a very small volume of material which contained some affidavits of some additional - people who provided information to Mr. Applegate and then thirdly, there was another package that came in that contained the material that largely related to concerns of Mr. Hoffstadter and Mr. Griffin and then I think there is a fourth that I haven't seen yet that was

given to you people right away when you went down to the site. And what does that consist of?

It just consists of some persons to contact, information.

Okay, let's start out with the assumption that we have that information.

You've received a witness list.

Yes.

At this point, rather than having myself start out, I'll have my lawyer explain where we are coming from and start us off.

Let me say also if anytime you want to take a break or whatever, just nod and...I'd like to keep everything reasonably comfortable here.

We appreciate your . The coffee's great. Basically what we are interested in doing is certainly providing all Mr. Applegate's new information and I was interested in taking advantage of the opportunity to be briefed on the scheduled itinerary for the rest of your work. And also to clear up a few of the questions that we've had as an outside organization on trying to understand the methodology and operating procedures of your oversight of nuclear plants and how you interpret the , so that some of the issues that we may have criticized prematurely could be resolved and we would understand your approach a little bit better.

Could I again ask that we do that after we get the other ...

Yes, I think that our first priority should be - time to get down to business here and start showing his information.

Right.

As you note probably if you gentlemen reviewed the material in my affidavit and I discussed in my affidavit and other pertinent information that was provided you, I discussed an allegation with regards to the independent radio-graphers body magnaflux being in one way or another coerced to leave the site at the Zimmer nuclear power station. It has come to my attention that there may be further evidence with regards to they're being coerced to leave the site. As you might be aware we provided a taped conversation between myself and Mr. Aldrich where I think it is at least clear to us that Mr. Aldrich and possibly we should get into a discussion of Mr. Aldrich's conversation with myself..

Maybe a good way to get through this all quickly would be to go down witness by witness with whatever new information you've got.

Okay, okay. There are certain law enforcement officers in the greater Cincinnati area who have indicated to me that they believe they have some highly suspicious people that were involved in the breakin at the Zimmer nuclear power facility in the weekend approximately January 10, 1980, approximately, again I say this was the weekend after I was fired from the site. There was an allegation made that someone had pilfered data from Peabody Magnaflux that might tend to corroborate our allegations of faulty workmanship on piping in the Zimmer nuclear power facility. The names of these individuals have been given to me as suspects and I emphasize that only because a certain amount of

circumstantial evidence takes you up to a suspect and then a certain amount of fact gathering confirms or denies their guilt in relationship to an incident. This is typical investigative procedure. You go through stages in investigation. I would say that if you include the four stages of investigation, speculative rumor, possibility, probability and fact, that this is probably in the possibility category and could be placed into the probability category with the interviewing of certain witnesses that I have their names and I would like the Nuclear Regulatory Commission to pursue that with the idea that this may provide further information with regards to Peabody Magnaflux - leaving the site either by coercion and force on the part of utility and the contractor or by any other means. The gentlemen who are highly suspected of breaking into that trailer according to my witnesses and again you'll have to excuse me cause I take notes in a fashion much like any other investigators but...a Mr. Pat Brennan and a Mr. Mike Brennan - brothers. Mr. Pat Brennan was apparently a union steward at the Zimmer facility for some time and Mr. Mike Brennan was apparently a supervisory or some capacity of supervision with the Quality Control section of Kaiser. This is the information that I have at the present time. We are again pursuing this as quickly as possible because I feel that this evidence could lead to a finding as to whether or not Peabody Magnaflux was actually burgled or not the weekend after I was fired. I have discussed these...

Were records of Peabody Magnaflux taken at that time?

Yes. According to the president of Peabody Magnaflux in a taped conversation that I provided to the Nuclear Regulatory Commission as he indicated, I asked him does Peabody Magnaflux have a continuous string of data that they can report should this come to a point of hearing either with the Nuclear Regulatory

Commission or in Washington with the Senate Sub-committee or anything else, and he indicated that no, that they do not. That because of this apparent pilferage of data to quote Mr. Aldrich, "because of the apparent pilferage of data there may be some holes in their continuous string of information with regards to safety related quality controls sections of the pipes at Zimmer." So it hinges on the fact that this burglary might have put some holes in Peabody Magnaflux's ability to continue on and say that they had evidence of the fact that there were problems with that load of piping that they inspected, okay. That was, of course, what we had centered on.

What Mr. Aldrich stated was that their records were taken when they were dismissed from the job. They normally would have some of their own. So we don't have negatives. We have hopefully some of our inspector reports but these
now that we have had some possible pilferage
of our material, frankly, I don't know now if we have a particularly documented
So there's...

Documented string of evidence as I recall the conversation.

Yeah. He's made some references to that. A lot of Mr. Applegate's work has been trying to pin down what that reference was referring to in terms of pilferage and a break-in and there has been conflicting information about it and as the NRC investigation continues the witnesses seem to be more of a consensus that there was a break-in and more people are willing to talk about it. When we first started asking questions about this, there were some people denying that anything like that had even occurred. Now the trend seems to be that folks are willing to open up about it.

(Question - too distant to make out)

Yes, we are talking about the load of pipe that was delivered from Kellogg on July 3, 1979 that was dropped off at the truck and was examined by Peabody Magnaflux. And their original examination, they found or at least they reported to me that they found some inconsistencies or some discrepancies or actually faults in some of the prefabricated welds of that pipe. That this was prefabricated piping that had come in from Kellogg of Pennsylvania and that in checking for damage, they had inadvertently found some inaccurate or possible discrepancies in the piping and that in trying to pursue this they were hushed up immediately. I was given a statement, on tape, again, I don't know, I think all these tapes have been provided the Nuclear Regulatory Commission. It's very indistinct but at a great cost to me, I have had these tapes audiolized and Mr. Sellers who was a supervisor for Peabody Magnaflux at the site at that time made a statement that Peabody Magnaflux was told by Kaiser and Cincinnati Gas & Electric "we will do what we are told to do when we are told to do it." And that was his in quote statement that out of fear of losing the contract, out of fear of reprisal of losing the contract with Cincinnati Gas & Electric, they would do what they are told to when they are told to do it and that in this particular instance when they brought up the impressions of faulty welding done on prefabricated welding that was coming into the plant that they were told to keep quiet

You feel documentation relative to the pipe that was dropped off
the truck stolen from .

Well, we're not really sure...

.....how much documentation is missing and we think this is an area of

question that you will probably consider up- very quickly by going to PM and find out what kind of records they have done- that they have everything that they are supposed to- then we will know the people who are complaining - maybe I'm mistaken about it or else there has been a complete identification of a new record system for years of work and if they don't have it-

-because that was also indicated on the tape when I asked Mr. Aldrich - I said is it impossible to doctor these X-rays or make the reports look like they were something they are not and Mr. Aldrich indicated - oh certainly it is possible and highly probable - he indicated that when the intent to deceive and defraud was there originally that there is very little that you can do- that's the president of the company talking-

so I gather you don't know what documents if any were taken from the trailer.

No, no. We do not know what documents if any were taken from that trailer. I believe that the people at Peabody Magnaflux do know. And that under pressure because as Mr. Aldrich indicated, that their company position was we have taken the position that to go in and defend this matter would cost us in the long run, taking the position that Peabody Magnaflux was going to list a lot of and maybe we shouldn't be considered for any further work and he was under I believe, Peabody Magnaflux was under the fear that they would be banned from the nuclear industry entirely if they go in

and try to defend this matter as I felt that they should have. As it relates to safety problems in the plant, safety related matters in regards to that particular piece of piping, it could have a very serious impact, especially given the placement of that pipe fix and main steam release system, but in any case as I understand it that is a very critical system - but in any case and I have a lot of names to discuss as far as where that information came in -

Who is the police agency involved coming up with this information on the -

Well, a lot of these people are former Yo Security people.

Do you have any names so we could go and talk to these people?

Yes, we do -

May we have them now?

Yeah - Tom, do you want to go into the specific names?

I can give you the names and phones numbers and a quick summary -

Again I want to emphasize before we go into this - Mr. Kepler, this is something that we discussed in your office - that a lot - you can't just go out and approach some of these witnesses, you have to understand there have been threats, and you can't just go out and approach these witnesses - they get very nervous about how you approach them. If we are giving a list of witnesses this morning, we understand that these people are people who have a lot to lose with regards to the present jobs that they hold. The intimidation that Cincinnati Gas and Electric has thrown on these individuals is - we don't care if you formerly worked for us, we don't care who you work for now, we can still cause you trouble and these people are afraid of that type of situation so you have to understand that we are giving these lists of witnesses but please understand they - the type of situation these gentlemen are in - they have voluntarily talked to me and I think it is with a great deal of courage that they have voluntarily talked to me.

Do you have any suggestions as to how we should go about contacting them?

I would make a suggestion that when you get in touch with these folks that you contact them at home originally and discuss it with them there where they are the most comfortable about getting their interviews and perhaps even some of them by letter - please don't just call them and say I am from the NRC - some of them are so highly nervous that

they would rather get a letter in the mail.

They might want that to confirm if they have any questions about - I know from our own monitoring of this investigation that one fellow who was not concerned about being called at work and got permission from his boss to be called at work, changed his mind at some time, he was very nervous and upset that happened and preferred that he be called at home.

Yes, you mentioned that and I think the reason was that I had not notified him that he was going to be contacted - of course I had no way of knowing that he was going to be contacted because the NRC does not tell me what they are going to do and I am not expecting you to - all I am saying is that maybe we should have indicated to you before we gave you these lists of witnesses that some of these men are in fear of their lives.

Are these fellows are on our lists of witnesses?

Some of them are - if we have known them before you have gotten them beforehand - rather than tie up this meeting and all of these men, maybe at the end of the meeting, we can give a list of witnesses who gave information on this break-in and we will contact them because this Peabody Mag. issue is not closed - we are actively investigating it.

I would be glad to get this in the records right now.

Mr. Ron Wright - he is former security officer there with Yo and is now at the Felicity, Ohio, police department. His phone number at home is and let me indicate that that is a party and if you have any trouble in reaching him, you may have to reach him through the Felicity police department.

Do you have addresses for these people -

Yes, we will get that - he is a police officer, he is not going to worry if you call him.

Mr. Jim Bedinghouse - he is the former police chief in Moscow, Ohio, and a security guard at the plant. His phone number, home number, is I believe these other three individuals you haven't spoken with directly -

No I have not spoken directly - I have not had time.

Mr. Wright referred three other witnesses - Dave Simpson who is now a sergeant in the Felicity police department - Mr. Tim Creighton who lives in the Felicity area - and Mr. Jim Brice who works with the New Richmond, Ohio, police.

They as well may have more witnesses.

These men all worked for Yo Security and the primary focus is on the security issues, the access to the etc. Some of them have some spillover of safety related issues.

What about the BME - which ones have information?

Ron Wright - well, I would say you ought to talk to Jim Bedinghouse and Ron Wright and Dave Simpson primarily. Dave Simpson has apparently kept a lot of documents and a lot of records - I think he is the man - there is also other things that these people have talked about besides the breakin - they have obviously talked about the security matters that we are going to relate to safety here in a minute. But they have all talked about other matters and they back -up affidavits given by Jeff High and Steve Harris. This is all the Yo Security group - these are what I believe to be stand-up law enforcement type people - they were all commissioned officers in the State of Ohio and they were with Yo Security and these are the people that I feel are your most expert witnesses in discussing a lot of these allegations.

Have any one of these people given you these two names of Mike and Pat Brennan - direct evidence that these two people -

Those names were given to me by those people.

Which one has the direct evidence regarding their involvement?

I am not certain - these people - you know you have to understand a police officer - a lot of times he wants to talk to the feds - he doesn't want to talk to Tom Appleby - he doesn't want to tell me what he knows directly - because again, Mr. Kepler as we were discussing, this comes into the standpoint - this comes into the issue of what do these people want to say to Tom Appleby and at the same time what do they want to say to the NRC - they may give me part of the story and they may give you all of the story. So, with regards to the Pat Brennan and Mike Brennan situation, I don't feel they have given me all the information that they know and they have mentioned casually and mentioned the fact that it was common knowledge that these individuals might have been the ones responsible for the break-in. Now whether that is proven up in fact is a matter for the NRC to look in - I know that that relates to the Aldrich tape and relates to the Aldrich conversation with regards to the fact that Peabody Magnaflux was intimidated to leave the site. I believe that they were intimidated from corporate pressure, I believe that they were intimidated from the standpoint of how they were issued off the site - Mr. Aldrich indicated that there was a man standing and waiting at their trailer - when they went to pull it off the site, stating that you will hand over the documents and I said you mean it was a situation of almost hand over the documents or get shot - and he said, well let's put it this way, it was one of the fastest transferring of data that I can recall in 20 years and then I went on

to ask him if this has ever happened at any other nuclear site that Peabody Magnaflux might be associated with and he indicated to me that they were associated with approximately 20 other sites and that this had never happened previously.

It might help to summarize whatever explanation Mr. Wright and Mr. Bedinghouse did give for identifying the burn products (?) as break-in.

As security officers they were privy to talking to a lot of employees in the piperfitters union and the boilermakers and so forth - employees that were walking around - they became friends and sociable with a lot of these individuals and in talking to these individuals they gained a lot of evidence in so far as statements made with regards to who might have been responsible for the break-in so I believe that that was probably how they came across their information - they probably were talking to someone who had loose lips and mentioned to them that Pat Brennan and Mike Brennan were the ones involved. So I think they could probably firm it up or at least put you on the trail a little hotter than I can. And I believe that these witnesses - now there is another entire aspect to what they have to say - that we are going to get into as soon as you get the other information.

One other question - do you have these conversations with the sellers in the Riverview Bar - and hang your hat on site - you were wearing a body recorder. Is that right?

Yes I was.

Do you have these tapes enhanced to get the background noise out?

Yes I have them.

You asked him a question a while ago - did he provide us tapes - and I would have to clarify that, the only tapes that we received that I know of are tapes of the phone conversation that I believe you had with Mr. Aldrich - Nothing else was ever given

We still need those five tapes - those body tapes - or copies of them -

Okay, this is the thing you have to understand - these body tapes are that big, by that big, okay, they included a lot of incriminating evidence, for example, when I bought my belt buckle, I taped that and it's good for holding up my pants, I don't know what it is good for that other than that, but in any case when the belt buckle was bought I was wearing a body recorder at that point and the security guards that sold it to me and indicated that this belt buckle came from the pipefitters at Zimmer nuclear power plant and that this was made out of materials at the Zimmer Nuclear Power Plant, that recording is on tape. I have a - what we call a DVX coded master copy of the autoized version of this tapes - it is not very well done

because I could not afford a great deal of - you know, I think if you took the originals and had them audioized yourselves, -

that is the point I am getting at - what kind of body recorder were you wearing?

I was wearing a Pearl Corder D120 which is one of the tops -

You have not had them enhanced by lab?

I have not had them enhanced by a lab. I had them enhanced by a audio man - who does a lot of work with bands and audioizing, mixing, etc. and getting background noise out of the instruments, etc.

Do you still have the originals?

The originals are in the safe deposit box in Washington.

Okay - if you want to get those, we will discuss how we will do it, but we can contact the program and we could have them in hand and we could get transcripts of those so we could have something to work with.

It takes a very close trained ear - you might have to have me on another head set saying this is what was being said because when you are in the Riverview Lounge, first of all we had a lot of construction boys in the background whooping it up and then we had a juke box that was

going probably about 40 feet from me - and you know, so the whole situation is -

Did anyone else want to see this belt buckle - while I have it off my pants?

It is beautiful work, if the plant were constructed as well as that belt buckle, I think you could probably deregulate.

There were at one time 20 pipefitters that were fired who were sitting out in the pipefitters' and the reason they were fired was because the top boss got caught adding a room to his house so he said well, if I am going to get caught and called on the carpet for stealing materials, so is someone else.

Excuse me, men, I think we had better hold it to one conversation at a time or this tape is really going to be messed up. One conversation at a time or this tape will be useless, okay?

Body tapes ?

I purchased two of these at one time -

To clarify, we discussed arrangements for getting the tapes enhanced in the hands of those tapes - Mr. agreed that we would

get those enhanced and we could work on them.

However, I would state with regards to belt buckles I did buy two, one was turned over to the utility - what they have done with that, I don't know. But maybe they gave it to Mr. D , I have no idea, someone's had to be held up I suppose. In any case there are literally thousands of these belt buckles around the greater Cincinnati area - I had it related to me from a completely independent source that one man financed a van that he bought by selling belt buckles - I had it related to me by security personnel and pipefitters at the plant that they financed a hunting trip to Minnesota by selling belt buckles at the hunting lodge. These belt buckles got far and wide - from the plant, so and this is all thefted materials and taken in quantity over a 7 year period, you know, one belt buckle certainly did not hurt the Zimmer plant but how much nickel grade, nickel stainless steel alloy grade - nuclear grade stainless steel was used in making belt buckles and how much was used in putting in the pipe?

I assume you - that is information that you are giving to the Bureau?

Yes-

Are there any other individuals that you have not mentioned regarding this break-in to the PM trailer?

There are other subjects that these people have information on so we might get into the next subject.

These individuals talked and verified allegations that were made in affidavits given by two other security guards in the Yo force, one being Mr. Jeffrey High and in which he indicated that there were problems with leaving the fuel unattended, problems with leaving the fuel completely alone, with nobody guarding it whatsoever, problems with having either a security guard or sometimes having to call a control room operator to come up and sit on the floor and watch the nuclear fuel while the guard went out and took care of his business, simply because the security people were totally understaffed so there was the issue of the nuclear fuel. There was also the issue of the criminal activity that was rampant throughout the plant and in their estimation-I have one of these men, Mr. Ron Wright said that he would collect roaches with the butt end of marijuana cigarettes and he would collect roaches and take them into Mr. Lotinslager and say, see in this area there are smoking dope - and in this area they are smoking dope and in this area they are smoking dope and we are finding it when we do our rounds and he would take this information into Mr. Lotinslager who is the vice president in charge of security, for CJ&E at the site and Mr. Lotinslager got to the point where he not only told them to turn their heads and refused to let them do a law enforcement job of correcting this problem of using drugs on the site but he refused to let them bring

in the evidence of this activity being conducted and the whole point is that how we see this as relating to safety related aspects of the plant, etc. is that how does a man weld pipes - how does a man doing electrical work, be a boiler maker, be a carpenter or be whatever he does, how does he do that job safely if he is stoned, drunk and worrying about the girl that he is going to be messing with when he gets out of work? And these individuals have a great deal of information to bring forward with regard to that.

I am sure that you will all agree of the safety implications of that - when I came into the airport, I saw the headline in yesterday's Sun Times about the drug use at the Zion plant and they it increased the number of inspectors that are going to crack down on that type of problem.

Apparently this was a rampant policy that was common knowledge to the point where the security personnel were totally overwhelmed and totally inhibited insofar as their ability to find the proper channel and I think this gets back to why did Tom Applegate do this all in the first place? And that is that I was told by my contact at CJ&E that I could not get this information from the proper authorities, get anything done about it, that I was just a mouse compared to their fueling power and that that was the analogy that this individual used and who the hell did I think that I was to get the NRC involved?

Now this was a system project engineer at the Zimmer site who indicated to me that you guys really don't have any clout as far as they are concerned. They can step right all over you. And you know, again I go back to the idea of the common joke was the inspector on the site could not find the red phone if he had to. That's how far it got, now I think that that was an impression that was left with the low-ranking personnel by the higher personnel the management personnel in the plant, the construction superintendent, the assistant construct. superintendent, the project engineer, the asst. project engineer, etc. that was the impression that was left by them because their impression is that the NRC does not have the power to come in and solve any of our problems or take care of any of our problems because we just frankly won't let them. We won't let them find out about the drug use, we won't let them find out about the alcohol, we won't let them find out about the raffling of prostitutes, we won't let them find out about the raffling of guns, we won't let them find out about any of this stuff. We will keep our boys happy and by keeping our boys happy, they won't go to the NRC and they won't go to the proper law enforcement agency to get anything done.

Let me ask you a question - do you or any of your people have any evidence of any kind of people who perhaps were drunk or doped to the point that they could not do work and they were doing work, or is all this just in the form of cigarette butts or beer cans

left around?

Yes, in fact, at the Mr. complained that he was not so much concerned that maybe an occasional drink was being taken, he was concerned about people who were drunk on the job, I believe Mr. Hyde discussed with me - folks were drinking in the parking lots before they would come into work - and then they would be drinking again during the lunch hour, people were frequently intoxicated - just to go into the extent of this, Mr. Hyde described that there was moonshine being sold at the plant, to take criminal activity a step further, it was being sold in jugs and you could - it was very powerful stuff, now I don't know if there is a still in the Zimmer plant or not, but even just in terms of security problems the coordination of getting a series of jugs into a nuclear power plant - you would think that maybe they would be checked and questioned to why they are bringing the jugs in and what is in them not being manufactured there. So it is not that we are really complaining about an occasional beer for your lunch, the people were engaging in this pretty heavily.

Right and to take that a step further, there was an individual who has talked to the government accountability project that indicated that he was fired because he was doing work for an individual who was out raffling guns. Now the whole point is that a pipefitter who was supposed to be pipefitting, that was supposed to be doing

welding and was supposed to be concerned with his construction job was more concerned with raffle tickets on stolen guns. Okay and we have to assume that these guns are stolen because No. 1, it is strictly against the law to raffle any type of gun, whether it be handgun, shotgun, rifle or anything else - it is strictly against the law and on firearms, I am sure well tell you gentlemen that it is strictly against the law to raffle guns anywhere and the whole point is - here was an individual who was supposed to be a pipefitter and was supposed to be doing that job and at that time that he was supposed to be doing his job, men were having to make up work for him- he was out raffling guns.

Let me go back and focus on the drug and alcohol aspect - because that is something that I can see that ties into - i have trouble with the tying the gun selling -

And the prostitutes - yes.

But let me focus on one aspect of it. Mr. Davis raised the question of whether or not people were in a state that they could not do their job properly. One of the things when you try to pursue an issue like this - the use of alcohol or the use of drugs - you ask questions of workers at the site related to this type of thing. And obviously people are very concerned about any incrimination of themselves,

in the way they are going to answer it and it is very hard to come up with people giving you a lead as to something that we might be able to track down that is meaningful to us. When you say drugs were not controlled at this site, I don't know what to do with that piece of information. It is very hard to take a project that is this far along and equate any drug use to improper construction or design of the plant - that is what I have to try to do.

One thing that I would like to indicate to you is that I am very sorry that this information was provided a year ago and actually these men are talking about a period of time that goes back to 1978 so we are talking about - you are saying the plant is 90% constructed today - what was it in 1978?

Well, even it was 50% - the point is how do you transfer drugs into adequate construction or not?

I think the way to translate that -

We would all agree, I think, that use of drugs is something that shouldn't be tolerated - excepting that fact, the point is how do I how do we begin, the NRC, go in and try to assess the impact of that drug usage.

I might be able to be helpful a bit on that. said today

that alleges that there was liquor kept in the control room and that would come in on your part as a very sensitive job; people might not be at their best. In some intoxicants - are so disabling that you don't have a person working in the plant at all if they have taken that. It is also alleged that our employees consumed angel dust at the plant on the job - now this is the kind of thing that if anyone consumed that in the privacy of their home, I think they are crazy, let alone constructing a nuclear power plant - I think it makes it easier for you if you find out the extent of the alcohol use or the drug use or whatever, if it's enough, if it is happening in large enough quantities that you can make an inference that almost certainly it is going to be turning up in some sensitive spots as well as just maybe just working on paperwork that afternoon, that type of thing.

It is interesting -

The thing is to identify what parts of the plant it was being used in, when it was being used, what intoxicants specifically -

As I indicated, I made the analogy that a pipefitter was derelict in his duties of being a pipefitter because he was out raffling guns. Similarly there were pipefitters who according to affidavit were drunk on the job and you have to measure what a man's capability is insofar as performing his task as a welder or pipefitter when he's intoxicated on either moonshine liquor, regular liquor of any sort, or drugs of any sort, the whole point is that

the highway safety committee says don't operate an automobile we are talking about individuals who are constructing nuclear power plants. The whole point of what I am trying to say is that it was easy for a man to fall off a scaffolding maybe but it was just as easy while he is welding to sit there and look at one beam of light and you know you wonder about his weld and I think that was what had to say was that there were individuals that he knew of that right in the presence of authority, in the presence of supervision were sitting there drinking out of a bottle and all that supervision had to say was get rid of it and the guy would sit there and instead of throwing it away he would chug down what was in the rest of the bottle and then throw the bottle away and the supervision said well, that took care of the problem, didn't it? This is the same instance when we have supervision saying, well, we know you are padding your time cards, just don't get caught. So what I am saying is the supervision took the responsibility and took an active part - Mr. Lotinslager-and some of the supervisors that were talking about took an active part in condoning this activity over a period of years.

Let me suggest - first of all, let me tell you that we will be going back to the interview with [] and have further discussions but I gather that he is the prime source of the information we are talking about.

He is a prime source.

Let me ask this question, first - will he give us freely the same information that you have discussed here?

Of course, we can't speak for [] but I do have reason to believe that he told me that his goal was to be able to talk to the NRC - to people that he would trust and share this information.

Okay we can get a lot of that then from him. You mentioned that he is a prime source - do you have others that you can refer us to? Well, we have given you Mr. Hyde, Mr. [] -

I mean on this subject.

On this subject, Mr. Hyde, Mr. Harris, again the list that we gave you this morning - Mr. [], Mr. Bob Tiner, all of these individuals - Vic Griffin - all of them know about the drinking and the drugs and so forth that was done on the site. I have yet to speak

with anyone who has denied that -

- who was unaware of it.

So we will be pursuing that with them. You mentioned a Mr. Lotinslager - he is the Cincinnati Gas and Electric security guy?

Yes.

You mentioned that people talked to him, went to him -

Continuously -

Do we have those things too?

Yes, these are the security guards' provided affidavits that Tom has spoken with.

We have that material?

Yes.

Let me also indicate that Mr. Dave Simpson apparently represents these security guards in a federal action by the national labor relations board with regards to these security guards being kicked off the site as well and they feel that they were kicked off the site for two reasons. No. 1, because they tried to unionize which is not against the law and they are trying to show in their suit to the National Labor Relations Board that this was one reason that CP&E just did not want to unionize guard service in there and No. 2

most importantly because these guards were bringing up allegations of criminal activity that occurred at the site while they were there and they tried to get these allegations that these guards are being put down as sour grapes and employees who have been dismissed and in actuality they are employees who have strong concern with regards to the safety of the Zimmer Nuclear Power facility because they saw a lot of construction personnel walking around smoking dope, drinking moonshine liquor, getting drunk and playing with their guns.

Do we have names of security guards -

Yes

Just to tie in your earlier query about how can we relate this to the problems that we have jurisdiction over - Mr. Hiatt said today that for example - describes that their lead man for the Yo was in charge of security guards, had a serious drinking problem and after awhile he was not good to anyone because he came to work all the time, in Mr. Hiatt's words. You don't want to have someone intoxicated in charge of security for nuclear fuel, so I think that with more investigation you can tie in where the problems existed if that makes it easier for you to do your job.

And I think that that is something else too with regard to the safety of the fuel as it exists. Mr. Wright brought up to me that the

fuel actually sits in an unsafe area as it stands today.

What do you mean an unsafe area?

Well, the walls around the 7th floor contain an area where the fuel is stored are apparently what are called blow-out walls and that they were instructed by Mr. Lotinslager and by everyone in charge that should a tornado warning come up or should high wind velocities be experienced at the Zimmer Nuclear Power facility they were to secure the 7th floor as much as possible and abandon the fuel- leave it alone, and that if the tornado actually did rip through and you have to understand we are in the tornado alley, if anyone doesn't know that, look at Ohio and look at what happened to Cincinnati in 1973, you have to understand if a tornado did ever hit and those walls were blown out along with that would be 40 million dollars of nuclear fuel spread out over how many areas -

You are talking about economic considerations.

Well, economic considerations but also a tornado picks up a house or a high wind picks up a house and leaves it 6 blocks away - now if you have nuclear fuel sitting in an area where it could be picked up and sucked out and thrown over a 3 or 4 mile area you are going to have a lot of nuclear fuel to pick up and you are going to have a lot of exposure to the public insofar as a health and safety factor is concerned with regards to this enriched uranium.

The unirradiated fuel does not pose a significant health and safety consideration.

The only concern would be if you could take this fuel and assemble it in such a fashion that if it had water mass -

Right - there are groups within this country that know what to do with enriched uranium.

I think there are groups that know

This is low enriched uranium.

I am not an expert. All I am saying is that I don't think that this is material that you want kids to be playing with.

Obviously you want to store it under proper conditions.

We are concerned about the structural aspects of this even for the future when there is highly enriched uranium or wastes - Mr. Wright, if I am summarizing correctly, in your conversation with him, described that on three occasions there were tornado warnings and the security officers were ordered to leave the 7th floor and go down to the 6th floor where they could be safe. Now if it was not safe for the security officers to sit up there, we would have some concerns whether it was safe for keeping the uranium there and presumably the 7th floor

is going to be there for the life of the plant, the way it is constructed now.

It seems to me that this point is not an issue that we need to talk to witnesses on - either the storage of the fuel is acceptable or it is not.

- go out and find out whether or not those are blow-out walls or not.

We could pursue that and we will.

Well this is - you asked me to come with new information -

Absolutely -

And here I am.

Now, do we have all the information and let me say that the issue of drug abuse and alcohol obviously is a very sensitive issue to us all and as I see it, I don't know of any shortcut for this solution other than to do ahead and talk to people and try to get a handle for what parts of the plant were involved, the extent of it, this may lead us to decide that maybe we will have to do some independent checking, I don't know - but the only way to solve it is through a force technique of interviewing.

Maybe you could explain that on your own authority - you mentioned that sometimes it is difficult to get folks to discuss these issues because there could be incriminating against them and I certainly understand that - do you have the authority to grant any immunity to someone for information in a statement they have given, do you have the power to grant use immunity?

I don't think so.

Only the Justice Department -

Okay, now we have brought up a subject that I think is probably in the next most likely topic. And that is the interfacing that the DOJ- the Department of Justice on this problem. We have brought up serious problems we feel - criminal activity that occurred in the Zimmer Nuclear Power facility - I indicated from the outset back in March, actually back in February, if you want to include my calls to Mr. Cummings, but I indicated from the very outset that this was one of my primary concerns and we have gone a whole year now and we still have not seen Justice Dept. interfacing with regards to these allegations of criminal activities in the plant. Now I realize that it's going to be a very difficult problem for the D. Of Justice to go and look at prostitution running, gun running, hooch running, drug running, etc. that was done in the past. They are more geared toward present and future, but it is not an impossible task, for the Dept. of Justice and I don't think that they would deny

that task, should they be asked to intervene or to come into - now as we understand it, or as at least Tom has explained to me and other people have explained to me, there are three agencies who are responsible for law enforcement at a nuclear power facility, that being the NRC, the Dept. of Justice or the FBI and the Environmental Protection Agency. That is the way I understand the responsibilities of the Atomic Energy Act, please correct me if I am wrong. But as I understand it, we can have federal authorities check out these problems.

Well, it is my understanding that you have submitted a package to the Department of Justice.

Yes, - with all the information and everything.

They have not received it yet.

They have to decide what they are going to do with that. We don't have any authority in the areas of the Dept. of Justice has authority. They have to decide what they are going to do and it is my understanding that you have sent them a package, they will have to respond to your people and decide what they are going to do.

I think it is something that Mr. is talking about now. As I understand it, at a nuclear power facility, at that site, there is federal jurisdiction. Now whether or not that jurisdiction extends because of the state's rights, etc. and again let me indicate to you

that I have also brought this information to the attention of the Parma County Prosecutor's office, the plant being in the site of Parma County Prosecutor's office and the Parma Cty. Prosecutor's office is working with all due haste to attend to these problems. His name, by the way, is George Pattison. But as I understand it, the recommendation from his chief criminal prosecutor that I was interviewed by, Mr. Robert Linder, the recommendation from Mr. Linder and I talked to him just before I came to this meeting, the recommendation from him was that the Claremont County Prosecutor call in the appropriate investigative authorities that being the Ohio Bureau of Criminal Investigation & Identification on behalf of the Attorney General State of Ohio and the Federal Bureau of Investigation and Alcohol, Tobacco, Firearms and the Drug Enforcement Administration.

Well, okay but they will still need Justice. I think because Mr. Everett's talking with you would still like to see some interfacing with the Nuclear Regulatory Commission insofar as what they know about this and what you are finding out from our witnesses about that.

We will cooperate fully with DOJ in anything they want to get from us.

Okay. It is my personal impression that because of a lot of this

criminal activity as I indicated to you and I want to give you one more name, gentlemen, and as I give you this name, please understand this man has been indicted for murder - Mr. James Hardy was indicted for murder in Hamilton County in October of 1980, was a pipefitter at the Zimmer Nuclear power facility and I have it on reliable information that Mr. Hardy was involved with the raffling of guns at the Zimmer Nuclear Power Facility - now it should be indicated to you that these pipefitters that you are talking to and these security guards that you are talking to and all these quality control people that you are talking to are well aware that there brothers of theirs - brothers in the union spirit or brothers in the workman spirit. that were walking around raffling off guns. And that these guys meant business when they said shut-up and don't talk about it and I think that they have that reinforced that these guys meant business and would not hesitate to commit acts of violence against them because here is one of them, Mr. Hardy, there he was one guy who was out there raffling guns; now he has been indicted for murder, so the whole point there is there is an individual, James Hardy, that you the Dept. of Justice might have an extreme hammer over; they might say, okay you have been indicted for murder, I am just speaking from the standpoint of a professional investigator, how I would handle a witness, but I am saying you have a guy like James Hardy who has been indicted for murder and you say, hey, James Hardy, you have been indicted for murder, buddy, and we got these other problems that you were involved in - we want

to know about them - if you want us to help you out with this situation or you want any consideration whatsoever in your murder indictment, then we want to know about what happened in Zimmer Nuclear Power Facility - we want to know about the guns you raffled off out there, we want to know about the prostitutes that were raffled out there, we want to know about the booze and who was in charge of all of this stuff and the bookie operation that was being run off the 7th floor security phone.

Have you given this information to the FBI?

I have attempted to.

Is this part of the package that you have submitted to -

You see the FBI is rather skeptical in the sense that they are waiting for the NRC to say -

We think maybe some of the confusion -

There is some confusion between NRC and FBI and it is not just that we have sent this to Mr. Everett, but from our reading of the law and the FBI, NRC memorandum of understanding it is your responsibility to do the immediate preliminary review and then contact the FBI and coordinate that so you all can lay the groundwork for them and invite them in and they take it from there and we are interested in reassurance that you will be taking the initiative on that.

YOU are going to have a lot more information than we can possibly gather.

You see the whole point is, back in February I wanted to go back for just one moment - I contacted not only the NRC but the US Attorney, James Sisal and Mr. Bernard Gilde, of the Cincinnati office about this information. I went jointly - I have always gone jointly to the NRC and the Dept. of Justice because I have always strongly felt that there are aspects that the DOJ needs to investigate that have related to the work that the NRC needs to investigate and that co- by the same token, the NRC is coming up with information that actually relates to information that the FBI and the DOJ needs to investigate for their own reasons, so the whole point is that I see a very strong parallel and I see a very strong link here in a lot of the information that I am bringing up having to do with two regulatory agencies, the NRC and the Dept. of Justice, that is one reason why I was very concerned about the DOJ spokesman being in. But as you explained to me, Mr. Everett has his reasons and you have a group of inspection and audit people here that are responsible for interfacing with Dept. of Justice so I am perfectly willing to accept that, but I think it should be noted and I want it on the record that threats have been made according to attempts have been made on people's lives and that a lot of the witnesses that I have brought forward are acting under a great deal of reservation due to the fact that there are idiots like James Hardy out there killing people.

I am going to have to rely on inspector and audit people to focus on this point. I guess I would just want to clarify - have you sent the information relative to Mr. Hardy to the FBI?

No, Mr. Hardy is something that has just come to me within the past two or three days.

Could I ask that you do that?

It will be done. We are waiting for contact with the Justice Dept.

Maybe we could get some help from you all as to who to send it to at the FBI - you can't just approach an agency to reach the right people - Mr. Everett seems to be the one taking the lead -
- send it to Everett -

Yes - well that is a problem - you see, Everett is not the local jurisdiction; he is in Cleveland but he does have responsibility for the entire state of Ohio, so it's kind of a jealousy thing or whatever but in other words I went to the Dept. of Justice originally in Cincinnati, I have gone back to them, and I have provided them with more information. Again, I indicate to you gentlemen that things are coming to me on a daily basis about these people and that I get this information and it is only so quick that I can run over and believe me when I say run over, I have to take two buses from my home, because I was run off the road, my car is

destroyed, I don't own a car anymore. It's with a great deal of handicap that I am leaving my home and going to the Dept. of Justice because I can't get an FBI agent to come to my house. It was with a great deal of difficulty that I got here - Mr. Warnick, you are aware of the fact that you had to bring me money. So, the whole point is that I have been out of work for a year, gentlemen and if you need my cooperation, it is there, my body and soul are at your beck and call.

The point that you are trying to make about the interface between DOJ and NRC tied to the fact that it is very hard in your view for some of the witnesses to come forth as long as there is the other kind of threat -

The intimidation -

Okay, we are going to have to pursue that and let me say that I will try to explore that with our own people a little bit afterward. I don't know what our posture can be.

We got an indication from one witness just to give you an example and you want to talk about Steve Harris - we got an indication from one witness for example that is so on edge and so worried about losing his present job situation and so concerned about anybody from Justice or NRC contacting him that at this point he doesn't want anybody except by letter to contact him. He doesn't

want anybody showing up at his house, he doesn't want anybody showing up at his job, he doesn't want anyone calling him at his house, he doesn't want anyone calling him at his job and this is the man who gave us an affidavit. This is a man who gave us a sworn statement with regards to knowing about criminal activity and has an extremely good background with regards to knowing what he is talking about. So you know these guys are not whimps by any means and scare of somebody that is going to blow them off the face of the earth, they just know the capabilities of the individuals that are involved in criminal activities at the Zimmer site.

I understand the concern you are coming from. I don't have an answer for you right now and maybe we can caucus on this point afterward but I think it is in your best interests and let me urge you to do so to get any information that ties to the criminal aspects - criminal concerns, get that information to the Dept. of Justice. And I think Mr. Everett is the proper one.

As far as we know, Everett is the person. And if there is someone different we will send it to you.

I know Everett is in contact with Gilbay in Cincinnati because he mentioned his name to me yesterday, but Everett is over Ohio and Indiana I think you say.

One thing they are concerned about is the economics and I know you gentlemen don't want to get into a discussion of economics, but -

We have no control over that aspect -

Right, but one thing that they are concerned about is that all of this criminal activity - you know you are looking at a plant, as I said, this morning, Mr. Davis, that originally cost 250 million dollars and now it cost 750 million more than that or a billion and it is likely to cost a great deal more than a billion so the whole point is how much of that is cost override and how much of that is because of lot of criminal activity was going on and they had to rip out these pipes that were put in improperly in the first place.

Could we refocus again on the safety issues?

The only thing that I am aware of, Tom, if I missed something is that Mr. Bedinghouse confirmed one of the problems that Mr. Hewell raised on from the crimping belts in the containment area. Apparently Mr. Bedinghouse's son worked for W&W Security-son John, and became sick due to the crimping of hoses in the containment area when he was on duty there.

He also mentioned another fire in December .980 in the containment

vessel and he did not seem to think that that had been reported to the NRC but since it had come out in the papers in Cincinnati I don't see how it could have been avoided. That is one thing that you might want to check on.

To just maybe wrap this up, in your earlier inquiry about the criminal activities, I - you don't have the authority apparently to grant any immunity and I sure understand that a lot of these people are nervous about it. If it is not possible to give someone immunity in an initial interview, maybe there could be some arrangement that their statements to you would just be used for background and won't be held against them or would not be used as evidence against them until they can speak with someone and work out the details of what they are going to be held accountable for by themselves.

Fine. We will pursue that one. Okay.

That was something that was very strongly indicated to me by Mr. Bedinghouse that he was very concerned for his son's safety because they were doing a fire watch in the containment vessel after my fire that I was involved in and that the crimping of the hoses again is a problem that has been reported at other plants besides Zimmer and that it was a common practice - I think Mr. Hewell had a lot to say about that, but Mr. Bedinghouse said that this practice is continuing and that as recently as this past fall and winter, his son

was almost overcome by Argon gas while doing his rounds in the containment vessel and again the containment vessel you have to understand at Zimmer - I know you guys have probably seen a heck of a lot more of them than I have - I have only seen one - but the one at Zimmer as far as I know has one hole that you can get out by the way the scaffolding is set up, -

that is not the correct type. That is not correct.

That has changed apparently since I was there. Okay, there has always been more than one, okay I am talking about for humans getting in and out.

That is what we are talking about.

Okay, as far as I know there is only one way in and out of the bottom floor of the suppression pool - if you wanted to get to the bottom floor you crawled through a pipe that was approximately 3 feet in diameter and then you went down approximately -

Yes, we crawled through that pipe within the last couple of weeks -

So what I am saying is that suppression pool where the fires have occurred and where the argon gas leak apparently overcame John Bedinghouse's son and where when I crawled in that one night just by myself there was smoke all over the area and I had no way of getting anybody there. Apparently that has changed, but again this is how I comment about CG&E being able to one step ahead of you

Apparently they have changed that situation, apparently there is a way now from the suppression pool that you can get help, if you have to pick up the phone, I don't know what is in there.

Didn't you indicate to me, no, it was not you, it was another investigator, Mr. Warnick, when they came down to the house the other day, he indicated to me that I would be surprised if I walked in there now. That there is a fire alarm and a phone system and all kinds of ways to get things done. That is the kind of cosmetic superficial way of taking care of things that I am talking about.

I would not call that cosmetic - it solved the problem that you were concerned about.

Yes, that solved the problem but you see what did I have to do to get CG&E to solve that problem and how many lives could it have cost in the meantime - there was a second fire in mid-December and there were electrical workers working in that area at the time and the whole point of what I am talking about is that - we are looking at a situation at CG&E at the Zimmer facility where CG&E and Kaiser again from my witnesses' standpoint they have the upper hand, they have the hand that is dealing all the cards and there is no feeling on the part of my witnesses or the people who have come forward to me that the NRC is doing what is necessary because at this point

in their mind's eye the NRC has not stopped the construction and

-

Let's talk a minute about your -

Wait a minute, this is important from the standpoint of what I am trying to say to my witnesses are saying that as far as they are concerned they don't see the NRC has control of the situation because CG&E and Kaiser people can walk around before and after you, check what you have checked and have that problem fixed by the time you come back to recheck or by the time you get there and so it is causing in my estimation - again, I say, just as an investigator I would not want to be working under the handicap of having the chief suspects around on my shoulder, whether they are within walking distance or not, is another matter, but what I am saying is they have eyes and ears and they have obviously their eyes and ears in the plant and I feel very strongly - I feel very, very strongly that the continuation of construction at the Zimmer facility right now is a hinderance to the current investigation. I think if it goes on much longer and I mean much longer - by that I mean tomorrow, and the day after and Monday of next week, if it goes on much longer I am going to have serious concerns as to whether or not the NRC was able to find a lot of what we are talking about because we are sitting there looking at a situation where CG&E and Kaiser have a vested interest, you state it where the NRC has no vested interest and I accept that premise, I accept it entirely

but I do not accept the premise that CG&E and Kaiser don't have a vested interest, they have a billion dollars at stake and with a billion dollars at stake, I think that if I were the man who had a billion dollars at stake, I would make sure that this man here and this man here and this man here and these men here could not find out what I didn't want them to find out and I would go whatever extent possible to make sure that that was done, so I speak to that issue of the construction permit being lifted and I think it needs to be addressed.

If we were to stop construction down there right now, we would be working on the premise of guilty until proven innocent and I think that is not the way the system works. Any individual and I think you can appreciate it, Mr. Appleby, any individual could therefore come forth with allegations and say he has all this kind of information and why shouldn't I stop every nuclear plant until all of these things are checked.

But again I go back to the situation of the plumber and the lady. Okay. Certainly CG&E is innocent until proven guilty and certainly Kaiser is innocent until proven guilty but the whole point is that as an investigator as the lady who is coming down to check on that, I am going to feel intimidated by the presence of the plumber. Do you understand what I am saying? I am going to feel intimidated by the presence of Cincinnati Gas & Electric and the presence of Kaiser.

Who is going to feel intimidated? Your witnesses?

I am sure that NRC people are going to feel intimidated - they are a pretty tough bunch. We are though concerned that there is an ongoing opportunity for the utility to - even if we have constructive results - to get one step ahead of you on taking care of these things before you can find them and of course we all want the problems to be solved but we also want to determine the extent -

We share that concern- if the utility is able to hide an existing defect so that we cannot find that defect, we certainly share that concern.

I would go further to say that if we find evidence that the utility is trying to cover up something from the NRC then we will take steps to deal with that point, but we have not thus far.

One of the allegations that we have received was that in the suppression pool, there was a problem that developed because the lining was too thin and it had to be reinstalled with thicker lining and in the process the design suppression pool didn't conform with the actual construction of it, some damage was done in terms of drilling and breaking through reinforcement bars in the process and that that was something that was covered up before the NRC inspectors came out

with knowledge that they were about to arrive. It was more possible I guess when this happened because things were in a state of construction, but that might be one thing that you would want to check out. That was Dr. Frank Hauser's (?) summary memorandum.

Do we have that. We have Dr. Frank Hauser's name. He is your source for that allegation?

Yes. As a matter of fact, you probably -

That is similar to the rad waste area where the drains are clogged with cement. All you have to do is to the floor and it is impossible to get to those drains anymore and has stated in his affidavit that he feels that there is a severe problem with the drains and the rad waste area.

Okay, we have that information. Do you have anything additional on that?

Just the fact that the CG&E did not want the NRC to find out about those drains.

Well, we found out about them and we have that information.

Did you find out about them through me or or -

That was one of the allegations that you gave us.

Good, I am glad to see that I am doing something positive.

Bringing at least some good people to your attention.

While I don't want to get into a position of discussing an ongoing investigation where new information is coming in completely.- as we are learning as part of our investigation, I will tell you that the Argon crimping thing is a matter that we have brought the OSHA people in on. Because that really is an occupational or industrial safety sort of thing - rather than a nuclear safety consideration. But we have corresponded with them and we will be keeping in touch with them until the resolution of this matter.

Was OSHA also related in the fire safety related problem?

Which fire related safety problem?

Well, I was caught down there without a way to get anybody's attention and the alarm systems in December.

Yes, that also was turned over to OSHA.

IN other words you see OSHA has been forbidden in the past to get into Cincinnati Gas and Electric plant -

I don't understand -

The Federal government has a right to inspect -

There has been quite a bit of litigation, right. OSHA tried to get into the Miami Ford Power Plant to try to find out about an accident and CG&E locked and blocked the doors and said no and then OSHA went to the federal court and got a restraining order and they locked and blocked the doors again and said no - do not come in and this is typical of the utility that you are up against. They are going to lock and block the doors whenever they get a chance and the whole point is that OSHA did have problems in another area - in another plant getting in - now maybe this time they have not had as many problems because of the sensitivity of Zimmer, but -

Plus the NRC has tremendous -

Right - and you boys apparently wanted OSHA in and CG&E was not prepared to block OSHA out but let's just say - CG&E look at their record - how they have blocked out regulatory agencies in the past, taken them to court, taken them to federal court and tied them up to the point where by the time OSHA got there there was nothing to see- there was nothing to see.

Are there other areas that should be focused on?

Unless I have missed something I believe that we have shared all the general issues - have been covered. We might go into a little bit more detail on them.

The only thing insofar - we are talking detail - my concern was that a lot of this information bears on the Aldrich problem with regards to the security guards having information that might lead to finding who broke into that trailer and whether or not Magnaflux is missing something and that relates to safety.

That has been very helpful and we appreciate that. Did you say that you had additional information

I wouldn't - I think that is significant at this point, just that Mr. Wright confirmed that nuclear fuel has been left unguarded - people could not go to the bathroom without finding a replacement for them because they are understaffed - details of confirmation, as far as any new issues, I think we have share what we have.

So it is fair to say at this point in time we know all of the issues that have been flushed up to you right now as related to nuclear safety.

As far as once you have any more aces up your sleeve?

He tells me that occasionally -

No, no - and I am not making light, please don't misunderstand me. My sleeves are bare. Believe me when I say that no - no absolutely

no more aces - when I come to this meeting I come with the full realization that you know everything that I know. Now, I can't say that might be the same on Monday.

I accept that and I think what I would like to do is to - as I see this investigation at least continuing for some time, it is hard for me to put it, since we are still collecting information, it is very hard for me to put a bound on when I see this thing ending, but I guess I would like to leave it that our people will contact you each week that they are down there to obtain anything new that you may have. We may also want to contact you -

- you realize I may say nothing new to report. Nobody has come to me today.

I accept that. It is just so that we will not be in a position of at a later time when we think - it may help us close out at that point with an individual or get a different perspective to it. And I think you have already alluded to the fact and we are finding that out because it is a very complex investigation - it is not simple.

- by any stretch of the imagination.

We may also find that as we contact some of these people although this has not been an issue so far - we may find that some people are reluctant to talk to us and we may want to talk further to you

We have talked about the idea that there are some people who want to talk to you directly such as I will give an example, Bill Ross, is a former security guard who is on our witness list who is currently the chief investigator for Claremont County Welfare - he is a man who cannot come to me and talk openly and cannot come to the Government Accountability Project and just spill his guts - what he wants desperately is for someone to come to him with a subpoena in their hand and say - we need to talk to you. Okay - now be it the NRC or be it the Justice Dept. - Mr. Ross has some valuable information with regards to activities that might relate to the safety aspects of the plant - now I know that the NRC has subpoena power - please provide that for Mr. Ross because Mr. Ross needs one of those before he can leave his job and he is interested in protecting his job and protecting you know what he has done - I am sure that with a subpoena in his hand from the NRC he can say, hey, these guys was to talk to me - about something I did in my past, I have to be responsible for the law enforcement activities that I conducted before I came to this job - I am sure you understand, this is subpoena, it is just like the National Guard has said it's time for me to go to my weekend warrior situation.

Do we have Ross' name?

Yes

And you are saying that the only way he will talk is if we do subpoena him?

Can you get a subpoena? Can you use one?

We have that authority, yes - right -

And I would say Mr. Harris, if you don't get any positive response from a simple letter, you might have to subpoena Mr. Harris.

Is he on our list?

Yes.

But he is very edgy - you call him on the phone and he is going to deny that he even exists - let alone you.

I don't know if we have Mr. Harris' address - maybe it would be helpful for me to have that.

I had it at one time - I think he can be found through Mr. Hyde - but again Mr. Hyde is very nervous - the way he was contacted the first time he was very upset.

That was no fault of the NRC -

No -

You have to understand these guys are edgy - they don't like talking about guys that go around blowing people's heads off.

I am sorry, I have to go back one step. I already asked you about what some guy's name was - you said we may have to subpoena.

Steven Harris.

What I would like to do now -

All I know - you see this is a group of men - when I talk about Jeff Hyde, Steven Harris, Ron Wright, Jim Bedinghouse, Tim Creighton, these are all men who are involved in that NLRB suit - okay, so they have their own egg to fry and they don't want to let out all they can - the way Ron Wright put it to me is they have a can of beans here - okay, and they have a lot in that can of beans, so they don't want to open up that can of beans or that can of worms or whatever, before they know they have to fry it - you have to understand how these good old boys talk. But the whole point is that he doesn't necessarily want to open it up to the NRC when it is going to be an NLRB matter so you have to understand that they have reasons to protect the information that they sit on and you are going to have to guarantee these men - it may be that you would want to speak to them in groups, in mass, or contact their spokesman who is Dave Simpson - their spokesman is Dave Simpson, that might be important to know.

I also like Mr. 's suggestion that we might talk to these people in the light of them giving us some information that won't be attributed to them directly but will be used to assist us in scoping this thing.

What I would like to do now is we have - as I think you are aware been spending a fair amount of time on the additional points that
information that these people provided us - some

of these areas - we are having a little bit of trouble with - because of the general nature of them and I would like to have Jim and Paul be able to bring up some questions that they might have so you might help us a little bit more if that is okay.

Tom just inquired as to when you will find it convenient to break for lunch.

We were thinking of caucusing - we have accomplished a lot in our new information section and it is quarter to 12 - I was thinking I would like to caucus with Tom over lunch and talk about some things that we are going to be going through, etc.

The next section.

And I think these gentlemen before they get to this would probably like to have a little breather - it is quarter to twelve - maybe a good time.

We know you are pretty busy - we don't want to take up any more of your time than necessary.

Okay we will break now.

TAPE 2 - Side 1

Do you have any other ?

I believe that when I spoke with Mr. he went over a list of and got confirmation or ask him to point out anything that is not accurate.

In your conversations did they indicate any specific locations of the valve, , the pipefitter's name, the date of the occurrence.

The best I could do is when I get back I could go over my notes of the day. I tried to be as inclusive as possible. And when I presented the affidavits and he discusses it. I believe his is mostly on the and he wanted to send the general problems of quality controls and they had given some specific examples. It probably would be helpful to you on further exclamation expansion on some of the things we have listed. I could give you the kid's name and number. His name is Mark Hertsgaard and he is in BC. His number is

What is his position?

He is just an investigative journalist.

The next allegation has to do with robbing the garage control. Can you give us your sources and who made that remark to you about control.

That was Mr. Kelo also. If I am not mistaken made a point of

ing that with me.
Did they give you any specifics such as the
workers and that type of thing.

involved like the

It takes seven to affidavit and he observes this at shed where
the robbing instruments were kept. As I understand it he protested it
to some of the supervisors who worked there. He also informed me that
ASME was concerned about the problem so you might get in touch with some
of the people at ASME and find out who was making noises out there.

Did security suggest any type of

I believe it was signing in and signing out and returning the robbing
equipment is what he was referring to.
were taken and kept
away from the shack without the necessary take over. His concern was not
only that there could be some damage to the equipment but some of it was
being converted.

As he explained it to me welding rods were being in and out of the shack
without the sign in and the sign out and where the rods were being used.
Did he give you any specific time frame?

He talked about 1979 where there was some paperwork done and he said that
he personally
problems in the right summer of 79. Mr. Griffin
talked to me about similar types of issues but of course he was gone

quite a few years earlier so you wouldn't be able to get too much help from him. Mr. Griffin knows a lot of problems which I think are structural in terms of how the utilities are handled in quality control as well as identifying things which he protested some time ago which are not solved in terms of this specific issue.

The next one is the argon gas that was turned over to OSHA. Do you have any specifics along the line of what time frame this happened in.

This would have been late fall or early winter of 1980. If I got my information from Jim Bedinghouse correctly. John didn't speak with me directly about that but he said that his father explained what happened. Apparently he came out extremely nauseated and was very upset.

The next one has to do with the pipe that fell off the truck. What is your source for that.

About 3 or 4 people are a source for that. One is John McClung the security guard that was responsible for receiving the pipe. He had contact with someone at offices and they were the ones who instructed him to have the pipe brought in on the truck and simply unload it. So that was John McClung. was the man who helped the man unload it.

This when he was taking me out to the airport last summer expanded on that to some degree. He identified individuals not including this affidavit

who was handling the immediate process after the problem was discovered so () could probably give you a few more names when they provide the affidavit.

And then again Peabody Steve Sellers and all the people at Peabody that were responsible for X-raying that pipe.

The next one is that you indicate you have 3 different sources which estimates that 20% of that plant's prefabricated wells are defective. Can you give us those 3 sources or any others that you have.

One would be This has come up several times so maybe I could go through . The Peabody Manuflux people. I believe it was either Allen or Steve Sellers. It might have been Dave Hang, one of the Peabody .

Do you have knowledge of what they base their estimate on.

I think it was just an estimate based on the fact that the X-rays have been seen and then came Mr. Hughes who was the pipefitter on the 3rd shift responsible for overseeing Peabody's X-rays and they were estimating 20% of the wells that they were shooting had problems. In these 20% those were the ones they were most concerned about. Now they took into consideration the fact of shooting while there was water in the lines and shooting while there was other problems that were overlapping etc. But when they explained this to me their best estimate on the 20% figure was arrived from what they had shot over a period of many years.

They being Peabody Manuflux.

Yes Peabody Manuflux, confirmed that. Bob Tanger has some input into that.

This is some of the shots that they made at the site.

They were prefabricated wells they were talking about.

This was just an estimate because they weren't as a routine checking the prefabricated wells. When they would check the ones that were done at Kaiser there would be overlaps in the graphs and it would come up in conversation that there seemed to be problems in the wells that were coming into the plant as well as the ones that were being done here. I questioned about the basis of this 20% figure and they would say the occurrence or how frequently it cracked up and that was kind of the party line from the plant employees and that could have very well been off. It could be 12% or even 30%.

I think the 20% figure was something pretty universal.

Steve Sellers said that wasn't an unusually high proportion of rejections of wells it was done at, about 3 times the normal industry average which was something we found very significant. The records Mr. Phillips has found it was less than the industry average and in fact the utility was more aggressive. We think that is something significant to check out. I have spoken with Mr. Sellers since and he talked with this investigative

reporter and he is much more cautious now. Not in terms of denying those previous statements but in terms saying I don't know why everybody wants to keep going over things when I can solve that. It probably will require a little bit of encouragement on your part.

On the rejection rate did they indicate to you that the ones that were being rejected were not being properly

That is a common theme. That seemed to be a major source of conflict between Peabody Manuflux and the utilities because it was holding up construction because they were coming up with so many rejections. There are alternate explanations. One was that Peabody was just too slow. The other one is that Ron Investment was holding up construction. As far as we can tell there was not direct pressure. A number of the witnesses said there wasn't direct pressure to stop reporting. The pressure was set from being overruled on it.

I think it should be noted too that [redacted] and I had a conversation that is on tape on the body recorder. He was not aware that ours were investigated. He discussed a lot about the wells on that tape. I think it should be noted that these gentlemen were totally unaware. They thought I was a cost accounting engineer. They were totally unaware and were not apprised of Nartack or my real position as an undercover investigator, until [redacted] made the fatal mistake of telling them. That is one of the most fatal mistakes he will ever make.

Is role in this explanation a confirmatory one?

I believe that I provided you all with my conversation with him and it was primarily confirmatory but it was a 3 page memo because he did open up

Are you sure that when they are talking 20% are they prefabricated wells. Or are they talking about their welding program as a whole.

I was quite specific about my questioning on that. It was the prefabricated wells that they were referring to. I think the proper explanation for that is these folks are much more forthcoming about criticising outside firms about the quality than their own. The common theme among the employees is that we were doing a good job but these outside groups weren't. Mr. Sellers was talking about the wells that were done at the plant as well.

I think it would be noteworthy as far as reference material is concerned that Kellogg is the same company that provided

From my understanding earlier you were saying that the wells they were questioning were the ones they on site.

Let me focus on a point just for clarification. If the contention is that 20% of the prefabricated wells were faulty, it would seem that we ought to be able to verify that completely by a check of the vendor shop. They are required to maintain the radiographs there by regulation and so we

ought to be able to do a review at that place. Correct?

However let me point out as is pointed out in my affidavit that when I brought this up to Mr. Murray, the assistant project engineer, that I was getting feedback from the pipefitters and the quality control radiographers that up to 20% of the prefabricated wells were maybe faulty. His response was that look we have paper work from ^{Pullman} / Kellog to say that stuff is all right. We don't really care whether or not the stuff breaks down at that point, that it is ^{Pullman} / Kellog's responsibility because they gave us the paperwork and if the paperwork is faulty that is Pullman Kellog's responsibility and not ours. We bought the stuff from them. If it breaks we will be down on them but the whole point is that that was his response to that allegation of 20% faulty wells. He said that to go into that area and look, he made an example, he said we had a guy out here who was accidentally shooting in that area, Peabody Manuflux is doing the same thing. This other place did and that was when they were X-raying in a certain area and they found a faulty well and it cost us a million and three quarters to go around and redo all those damn cable and we are not going to redo all these pipes. He was just really adamant. So what there is problems there, we can't want to hear about it. He was almost livid at that point. Whenever I would bring up the fact that there is a possibility that 20% of the wells down there were faulty, Mr. Murray would just go out in left field. Mr. Murray is the assistant project engineer and was my direct contact, for Cincinnati Gas and Electric. He was my direct contact as an undercover operator.

If we go back to Kellog where they keep on file radiographs for each well

are you saying we cannot rely on those?

According to Mr. Aldridge he says that those can be doctored and he said certainly they can be doctored if the intent to defraud and deceive is there originally. And he talked about Pullman Kellog. He said the Kellogs, the Bectals, the Brauns, as prefabers they can really lay it to you. He said we get this stuff in here and it is a piece of crap and this is what was in his conversation. I would refer to his conversation with regard to the prefabricators. He named them all and you know what I am talking about. He said they can really lay it to you. What he was basically saying there, I believe, was that he believed his men down at the site did a good job because we reemphasized that twice on the tape, your men did the right job and Kaiser was trying to push you guys around so it looks good for them. He said well you are right the first time. The second time he said you are correct. The whole point was I hit him with that twice to make sure he understood what I was saying. That Kaiser was trying to force them to say something that was contrary to what their men found, doing a good and proper job. And what their men found doing a good job was these prefabricators were coming out with wells that would not hold up.

To add a little bit on this 20% figure it is not . As far as the question as to whether or not to trust Pullman Kellog's radiographs, we should understand that we can't go out and re-X-ray a nuclear power plant. It is impractical. (suggested that what he thought was necessary to clear up the suspicion was to select a limited number of wells that could be recommended to you by plant employees, pipefitters so you

could be doing a spot check.

We would be doing our own MVE. We know that as a way to do some of this.

You see I have certain reservations with MES, in the fact that they came in and supposedly did an independent check on Peabody 'lanuflux's work. And my problem with MES is that I think they had obviously because they ended up with the contract. I think there is some question there. Because the fact that MES came up with some unresolved wells and we still haven't heard the end of that.

Has MES now replaced Peabody?

Yes. I said earlier that Mr. Sellers who gave the higher figure of 39% rejection Mr. Steve Bennett who I think gave that figure to the investigative reporter on the 39% rejection rate based on his experience I don't know if he is on the actual witness list or not. I could give you his phone number. At least as much investigative work as we have done and this reporter who shared his notes with us, I can ask his permission or if he wants to talk to you.

The next one has to do with engineering designs that are routinely drawn after the fact. In other words you don't really know.

I believe that was Mr. [redacted] and [redacted] and Mr. Tyner. (Jim Tyner) is a man who does a lot of that type of work himself and the whole process was that if it didn't fit redesign it and design it to fit. Don't design

it to be a necessity. They were explaining the water intakes down by the river were facing the wrong way at one time or another. And they had to redesign the way the water intakes were. And they still do not have that problem solved or not when I was there because they were burning out the feed water pipes at a rate of every time you switch them off. And I think that what [] was leading to at that point was in the same situation with an 8" pipe versus a 10" pipe they told people when they put in the 8" pipe that this wasn't going to fit or work and it was going to have to be redone. They went ahead and put in the 8" pipe anyway and then all that piping had to be taken out and reinstalled at 10" piping exactly as the men had said. If you had followed the original specifications you would have what belongs here but you have done so much redesigning and so much rework on a lot of this stuff it doesn't fit anymore. And that is when they came down with the reason why a lot of this has slowed down according to [] was that they redesigned so many things to fit conveniently for one reason or another that a lot of the original stuff didn't fit anymore.

Do you have any other specific indications or information regarding the pipe sizes or piping systems.

I think that [] and Mr. Tyner as well as the Peabody Manuflux people had identified certain wells some of which I understand were cleared under the [] investigation and apparently still stay resolved. I don't know where the [] is there. Some of which were part of a group that [] resolved. Some of which were in a

questionable category. If I read right in the first report from the Nuclear Regulatory Commission there were 3 groups of pipes. During a subsequent inspection September 18 and 20 and December 11 and 12, 1979 several more discrepancies were identified so then hired NES. The review included 2,390 wells and of those 958 had report discrepancies. That is the big question mark. 543 had some technical problems and 14 were held to be unacceptable so apparently some of the ones we have identified with and Mr. Tyner were some of the 14 and some were part of the 543 and some part of the 958 but what and Tyner were saying was you have these discrepancies and this is your 20% and it is in that figure somewhere. What they are saying is a lot of these pipes are not right down there and in a lot of situations the utility according to Mr. Murray was in the position that we can't redo those pipes. There is no way we can redo those pipes. Because we would have to tear out so much other stuff to get to those pipes.

Other than the pipes that you described now and earlier, you don't have any more specifics as to pipe sizes or anything like that.

On the design that is not the size of the pipes but a manufactural design like your tank housing. And that is going to be required. It was pretty good detective work on you folks part. That is from a source that you can't locate anymore. I think that the accuracy of the criticisms can be concurrent daily the designs versus the locations of things. He does have some background of this individual because

he talked to him for awhile. He just hasn't been able to reach him again.

The transiency of the workers was of great concern to all the people that talked to me. The fact that there were a lot of boys there from New York and Pennsylvania and this and that place. A lot of them just came down there to party and there were gentlemen there who had other people taking welding tests for them and were not qualified welders. That was the whole point. You had a lot of transients coming in there that were flashing union cards that were of questionable character.

Who specifically is giving you the information regarding people cheating on the welding examination. Is there somebody we can talk to that has specific knowledge about this.

Mr. Hoffsteder was the guy

That was a vendor but what about at the site?

I think you would want to talk to [redacted] and [redacted] Jim Tyner.

The next allegation estimate is what we call cable [redacted] and cable trays. Again we would like to know your source for this.

My direct source was [redacted] although now it has been confirmed in some of these notes from the reporter to which of these witnesses [redacted].

There are two things in that allegation. One is faulty wells and the

information I would like to know there is what type of wells are you talking about. Cable tray hangers or do you have any specifics on the wells that you are talking about. I just want to know if you have any other information and I am trying to exclude anything that you have already given us but any additional information you may have.

The main additional information that I can provide to you says that in some cases an affidavit might have been referred to anonymously. I can supply the name they were talking about and also the reporter's notes on this which I am going to get permission for. Other than that we kind of work like reporters. We get 2 or 3 people who will talk about something and we are willing to write it up and request that it be looked into further but we really haven't held back on anything other than we might not have said which individual confirmed which particular charge.

In the cable tray	being dangerous	Describe why these
things are dangerous in		

On that I couldn't give you an answer right now. I would have to go back and talk to a researcher who was working on that directly.

Is the crux of it whether it is amperage or the load.

Regard to physical load rather than amperage.

They were too closely packed. Too tightly packed.	the space where
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they were being held within the tray.

So what I am hearing is you say they are too tightly packed and it is too much heat. They are more concerned about the amperage than breaking a hanger down.

I would say both equally.

The next one has to do with the heat exchanger control panel that was mistakenly operated or operated 1200 lbs. to 300 lbs.

That was I believe you ought to be able to confirm that just by raising the topic in the interview because was not in the immediate area.

Do you have any more individuals.

None.

Going back to the issue that you raised that was drinking. You also identified a concern about people who are prone to violence on the site and again ask for the sources for that and also can you give us specifics other than what we talked about this morning.

What we talked about this morning and in affidavit.

I would say everybody we talked about this morning. All of the security

personnel would verify that, as well as . In every conversation that comes up there were these transient people that were coming in and out; a lot of them had prison records, a lot of them were very violent people plus the fact that when you were doing things like PCV and Angel Dust you have the potential there for violence. I don't know if you have ever experienced a situation where someone has laced a Marijuna cigarette with PCV or if you have had an experience where, not you yourself, but I have had experiences in my investigative career where I have had to deal with individuals and I think it is a rather well known fact in law enforcement circles that anyone that is on this type of drug or who is using this type of drug routinely as well as I think that a lot of people who do the old get rather violent in nature because of the type of drug they are on. It is almost pure grain alcohol. The whole point is there were a lot of fights and there was a lot of violence down there because of the excessive amounts of drugs.

It is based on observations.

I saw a couple of situations myself while I was there that could have literally exploded into fights. Plus I would like to indicate that there were guns on the site which is strictly in violation.

Do you see a relationship between that violence and improper construction of any kind.

Yes I see a relationship and I think the people we have talked to see a relationship because when you have men that are involved in all these

extracurricular activities they can't be very involved in their work. A lot of times they had too many employees down there simply because they wanted to keep the unions happy or they wanted to keep somebody happy. They had all these guys down there partying while other people were trying to get their work done and they would interfere.

It is just a matter of common sense. Like this fellow Mad Dog who is running the gun operation there. It was packed with weapons. It was like a joke. He had so many knives on display. Don't mess with him because as he walked in you could see that he was carrying many weapons. It is just like if I walked into this room and strapped under my coat was a large 44 magnum with a 7" barrel I think you gentlemen would agree that it might be intimidating to you all.

If nothing else it would be a distraction.

If nothing else it is a distraction to you sitting around at this table. Somebody is going to be sitting there saying I wonder if he is going to get mad and pop off me. And the whole point is this mad dog and Jim Hardy and all these people that were running around raffling off guns and everything else they knew to be hardcore characters and watch out and be aware etc. and a guy might be sitting there doing a weld and at the same time looking over his shoulder to make sure somebody isn't coming after him with a Bouie knife.

Let's face it we don't have direct evidence on this. This thing was so well organized in terms of the criminal activities with books for the raffles

for every different black market operation. They were all printed up and stapled so you could pull out each ticket. It is a very well organized operation. I just want to know who is organizing this thing. It is well put together. It seems like there has to be some sort of tie in with an effective organization whether it is the union or organized crime or whatever. You talk to people and you always ask that question. Who is behind this. Do you know anything about the moffia. There is a bookie operation that has outlets all across the country. Shouldn't the moffia be involved here. The response I consistently got is that I didn't want to know. I had enough common sense not to ask those kinds of questions. We are just concerned with something that is this well developed. Because organized crime might be connected with it. I just think it is a matter of any kind of common sense , organized crime is not interested in safety, it is just a business operation. And if it is that bad it almost terrifies me that those are the people who are making decisions on where to cut corners or having any tupe of influence over the employees that we are relying on here.

That is the point that leads right into what I want to bring up and that is you have people of responsibility, supposed responsibility, when you have people like Bob Marshall and Bill Murray and Fred Lautenslater etc. and the supervisors, C. K. Smith etc. The people who were in charge there for Kaiser and Cincinnati Gas and Electric turning their heads and telling the security people to turn their heads to this type of activity, the whole point is was this condoned and if it was condoned for what reason was it condoned. Was Fred Lautenslater getting fat off of this or was somebody else making something off of this. We know Bob Marshall got a

room added onto his house and we know he got his wife's car redone. What were they getting...common sense would tell me I can't understand how practices flourish as much as they did and as long as they did. I don't know if I would put Bill Murray in that category because he was one of the strong people who wanted to hire me to find out about some of this activity. But the whole point is they couldn't control it so instead they condoned it and in condoning it weren't they in a sense becoming complicity. In my estimation when you have Fred and he is sitting there looking at a whole hand full of Marijuana butts and the security guard says he found them in this area and in this area and Fred knows darn good and well they are doing sensitive work in this area and in this area. And these employees that are doing this kind of stuff were doing sensitive work on the plant. Why is Fred telling the security people not only do I want you to turn your heads but I want you to quit bringing this stuff into me because I don't want it on my conscience. That is the follow up on your question.

Earlier this afternoon you also addressed wells that were being rejected by and accepted by Kaiser. Can you give us specifics of what wells were rejected and later accepted?

I believe talked about those and the source for those specific wells would be Peabody Manuflux as well as

When you talked to them you had a tape recorder on so that will be on the tape.

Not at all times. Only one conversation did I have with did he ever get into that type stuff.

Who are the TM employees who want to set up a meeting for you to show you the evidence.

Allen Sellers, Jim Benning and Dave . They wanted to set up a meeting for me to review the material they said was going to be incriminating about these wells. When I indicated to the utility that I was going to have that meeting that is when the utility promptly fired me. They decided I was of no use to them anymore, that I was getting into an area they didn't want me to and that was also the weekend there was the breakin at the trailer.

Does that include all the ones that have been accepted after being rejected. One last question. The comment was made that a KEI employee had a detailed journal of safety hazards and incidents .

 was the initial source of this information. I can also go back and check my notes on that.

I would indicate that as far as journals are concerned apparently Dave Simpson kept a journal of problems.

When they were talking about these safety hazards do you know .

Personal concerns that are related in the jurisdiction of the NRC.

Maybe you can explain the distinction.

Is it an industrial hazard or a nuclear hazard.

I believe it was a nuclear hazard.

I have one last question. You made a lot of statements about TM employees being intimidated and we have a lot to work from that but you say union pipefitters also. What is your source for that? Is it

Right.

What was he referring to - his intimidation.

When he was fired went through a kind of evolution for this union. Initially
him on a local level . So I think when talking
to him we can find out

Does address any specific pipefitters to you.

He didn't address names.

He was the total source for the union pipefitter intimidation problem.

We also investigated before I talked to a number of union officials in revealing his notes they were just not forthcoming at all.

Did they want to discuss those safety issues or the firing as a result of misapplication or investigation.

I believe it was more deciding as a result of investigation.

I think we have accomplished what we want to get out of this. You indicated there were some things you wanted to talk about. Before we do could I and I think it might be beneficial if I just go through and reiterated the commitments we made here this morning and this afternoon so if there are others that are a question in their mind can focus on them right now. Mr. Davis has marked down what he heard me commit to and maybe it would be good to run through these if this is satisfactory to you.

TAPE 2 - Side 2

As we went through today and Mr. Kipler made some commitments I tried to write them down. The first one was that we would interview Hyde, Harris and [redacted] and Tyner and Griffin and of course anybody else we need to interview based on the information that they gave to us.

I think there was Mr. Wright and we discussed some new people.

We haven't talked about all the possible witnesses at this meeting for all the different issues. Mr. Hoffsteder we felt was a very credible witness from my own discussions with him. Mr. Martin passed on his affidavit [redacted] he never really got an opportunity to tell his story accurately. Just about anybody we put on the witness list we hoped you would get in contact with at least over telephone or by letter and make some inquiries to them.

I think the intent here was to document what we discussed with those witnesses who could help us with the new things that we brought up this morning.

We have discussed everything we have submitted to you.

Certainly the information you have given us before, we are perceiving to talk to those witnesses.

The next item I have down here was that we would look at the concern with

respect to the blow out walls in the area where the fuel is stored and make a determination as to whether or not that is stored adequately.

The third one I have is that we would cooperate with the Department of Justice in providing them information but that also we recognize ^{and} passed on to you that the Department of Justice is relying on you to provide information to them and we passed onto you that they would appreciate receiving documented other evidence as it comes up, in the area of criminality not associated with the nuclear safety.

Do I understand correctly that you will be requesting and inviting participation by justice in this?

We talked about this at lunch time and we can make DOJ aware of your interests in this but we have no control over the Department of Justice to require them to do certain things.

Not to require them to but to invite their assistance or request it. You can't order around somebody from another agency. But we can say we need your help on this, somebody that is outside of our jurisdiction both for the purpose of getting people to talk freely and to be able to follow through on issues that effect safety.

I think the key point is again we have encountered thusfar any reluctance ^{not} of people to talk to us so I couldn't very well go to DOJ and

Excuse me but would you include Mr. Hyde in that.

We haven't mentioned everyone yet.

Was there any reluctance.

We haven't talked to Mr. Hyde yet.

We talked to Hyde and we talked to him while he was at work and

But his concern was keeping himself away from the job.

I think that if we encounter difficulty in having people communicate with us that is one issue but I am not aware of it and want to close that door yet. I think secondly we invited DOJ to this meeting, we will certainly provide DOJ with all of our investigation things and will answer any questions they have but I sense the differences. You feel that we have an obligation to require DOJ to do their job and I guess I have trouble relating to that.

I do understand you have difficulty relating to that. What we are referring to is that we are painfully aware of the limits of your authority to follow through on some of these issues and we think it would be helpful for you if you are investigating these things and it is obvious to a good investigator where things can start to lead and all of a sudden you are up against a legal barrier for pursuing them. If you ask the Department of Justice to assist on these and take it farther than you have the authority to and perhaps even share some of your theories on what the possibilities are that you are just hampered legally from following through

to the end. It would be more difficult for them to ignore it or not act aggressively on it then if you sever those possibilities. This is what we have so far and this could be leading into significant areas. Here are are theories on it. But of course we cannot pursue it any farther and it falls into your court now. I think you have the legal authority to share in your suspicions or concerns about where some of this evidence might lead to. And we would appreciate your taking that initiative.

I think we would be willing to do that with respect to if we sense not only willing but we would be obligated and interested in doing it if we sense the relationship to nuclear safety. If we sense no relationship to nuclear safety now you have to put yourself in our shoes. Zimmer is not our only responsibility. We have a lot of other nuclear power plants and we have to jealously guard our limited manpower and put it where we think it is right to put it. And we don't think it is right to put it in an area that is DOJ's and develop their cases for them. We have the mechanics and manpower that we need to put other places.

I wouldn't want to debate you at all on that statement. Of course it doesn't require any additional manpower to share on your concerns by the people who are already working on an issue where you can only go so far. That is all we are asking about. I don't really sense any particular conflict in terms of asking you to do more than you could or would do with your resources. I would like to just question you a little bit on it. You asked us if we thought that it was related to safety.

That there might be drug problems, various organized crime elements etc. What is your feeling about that, what is the commission perspective on whether or not intensive criminal activities can effect the safety of the nuclear power plant.

I don't know if I am ready to answer that yet. That is a tough one. However I guess I would say that if we were to come to the conclusion that it did or could we wouldn't necessarily have to pursue it to try to get somebody arrested. We might have to go take a radiograph of the well that these guys made. So you go down a different path depending upon whether you want to solve our problem or their problem.

That is the issue - the disposition of the matter and I sort of sense that you are trying to ask us to put on a DOJ hat while we are doing a job and I am not sure we have that kind of expertise to put on a DOJ hat.

We are more interested that you ask DOJ to come in and be a partner on this because as you pointed out and quite reasonably you might see it was a lot of criminal activities in this could lead to a safety problem. You can go after the way it is manifested itself in the plant and it has to be justice that goes after the activity per se. Let justice find out to what extent this occurs and to what extent that volume of information that DOJ must come up with effects the safety related aspects. As Mr. Davis pointed out here you might have to go and take a well of the guy who is sitting there while he was out moonshining. So you might have to go into the safety related aspect from the standpoint that

these men may have not been totally capable while they were doing the job. And if DOJ comes up with a conclusion that they were people down there messing around then I think it would be reasonable to assume that these men were just like drunk driving. Building a nuclear power plant while they were involved in criminal activity. The two don't mix. Alcohol and driving doesn't mix. Alcohol and drugs, prostitution and guns, bookie operations etc. don't mix when you are building a nuclear power plant.

We would hope there would be a very close partnership between your work and Justice's work in order to be able to do the type of follow up that is appropriate for you all. If the full extent in identity of individuals who were drunk on the job is determined that allows you to isolate which parts of the plant you should be doing the spot check. And it may be Justice's job to find out who all the people were that were engaging in this type of conduct. That they share the information back to you and then you can go out and do the checks on the results on those individuals.

Suppose we go to the Department of Justice and say hey we have some information on some individuals that there is moonshine being used, drugs being used, beer being used at the Zimmer site while people were working down there building the plant. We would like you fellows to look into this. What are they likely to say to us. Yes we will jump right on it and we think it is illegal and something has to be done about it or will they say go stick your head in the sand, we don't care.

I don't think they will quite say those words. I think they are more apt

to say can you furnish us any hard documentary evidence which will support this. But not only that will that evidence be in direct violation of a federal statute. You have to be careful with the DOJ in that they are not about to go out and expend their resources for theft of property. Federal property or are different. A power plant that is being built is not federal property, therefore if somebody is stealing pipe, bricks, wood, water, sand, the FBI in essence does not worry about that. Now the state people might, the county, the city; the state people might say go and indite him. DOJ might have an interest from an economic standpoint, the economic crime unit of which he is a part is very interested from the standpoint that if there was a large amount of facilities misused and abused and stolen from the site then this would have an economic impact on the rate pairs thereby the citizens of the utility who paid for it. So what I think Mr. Everett is trying to say is if all this criminal element had such a deleterious effect on the plant as to cost it \$300,000,000 or a \$100,000,000 worth of crime then we are interested from the standpoint for the U.S. taxpayers and the U.S. government funds went into building this plant. And we are interested from the standpoint that some of those funds were abused and misused and possibly stolen. I can't speak for Mr. Everett but that is the impression I get.

He is going to have to review that and DOJ is going to have to review that and that is not clear how that interfaces with us.

I think basically in terms of just asking to be able to share information as much as possible. I don't know how closely you routinely work with

Justice on a case of this type but that is the reason I asked

This may be a precedent setting matter but of course this whole thing has been a precedent setting matter.

They are doing their law enforcement investigation and it might help you on your safety investigations.

I guess I yield to the OIE people here but I personally wouldn't have any quarrel with calling up the DOJ and making them aware of what we are doing and if they want to accompany us they are more than welcome but I don't think I would try to push people into doing something that I don't have any control over their area.

I think with Mr. Everett you are not going to have to push him.

Well I invited him to this meeting.

We didn't push him. No he said do you think we ought to come and I said that is up to you.

I think it was a stand off point of do you think we ought to come and I think now maybe you are coming into the realization well maybe they should have come.

I don't know that I exactly have an opinion.

Just from the standpoint of clarifying the position the DOJ interfaces with KRC however I think also in Mr. Everett's decision making process and again I am not speaking for Mr. Everett but we have only spoken to Mr. Everett in the recent past and he has not had a chance to review our material. Now when he gets a chance to review our material he may just call this whole meeting all over again and say we might go over this matter again with you or we would like to at least go over this matter with you. Because we have this information and we are interested and it will all depend on how they feel.

Maybe we ought to make Mr. Everett aware of the tape of this meeting.

I promise to call Mr. Everett and tell him the result of the meeting but I think we will give him a copy of the tape.

We have no objections at all to that. I do have a question here on the jurisdiction. It is a matter of debate I guess as to how much interest Justice has or should have in property crimes. And we have done legal research on your obligations to coordinate with the FBI. What is meant of practices here and coordination procedure with local law enforcement authorities. The FBI isn't interested in the pipes or copper being stolen but the local or state police might be.

I think if you recall back we had a problem down at the . The plant down in Virginia. I think there were two employees that purposely damaged some fuel rods just to show the lack of security. Believe it or not there were no federal statutes which . However there was a state statute therefore they were actually prosecuted by the state

of Virginia.

I think you would find the Attorney General of the state of Ohio extremely cooperative. And I think if that is your recourse then keep in mind that the Claremont County prosecutor has at least indicated to me that the Attorney General's office will be apprised and invited in to this situation. So it could be that NRC will want to talk to the Attorney General's office and share information with them rather than DOJ but again let me indicate that is the determination Mr. Everett would want to make as far as DOJ is concerned since he has become keenly aware of this and since he has become keenly interested in it. And then as far as the Attorney General's office is concerned in the state of Ohio just being a resident of the state of Ohio can last 29 years and knowing Billiger and Brown like I do I think you are going to get his interest if you say we have a problem down here but he has to be called in by somebody and he has to be called in usually by local jurisdiction, which is the Claremont County Prosecutor's office. So I think what we are going to have to see is the Claremont County Prosecutor's office make a recommendation to the Attorney General's office to examine the criminal activities in the Zimmer plant. I have talked to them, right and they have indicated that that is probably is going to be their course of action. Again this has only been within the last couple of weeks.

Have we covered the major avenue of your concern for the criminal element diverted to the right direction..

Other than DOJ from the standpoint that you have to understand that I believe

a lot of these are federal crimes. Interstate prostitution and things like that are federal crimes. I have dealt with federal crimes in the past and I am just saying I believe that and I believe that maybe the NRC should have some interfacing with the Department of Justice and I expressed that to Mr. Everett and I think Mr. Everett has expressed some

Let me see if I can summarize 4 points that I think I would be willing to commit to right here. No. 1 is Mr. Everett will be made aware of this meeting from our perspective and we will gladly provide him with a copy of the tape. Secondly, we will tell Mr. Everett that if the FBI is interested in accompanying us in any of our inspections, we will keep him abreast of these things and we will gladly cooperate with him such they want to accompany us. As far as dealing with state and local law enforcement agencies I think certainly I would say that we would be cooperative with those agencies that they wanted to get information from us and talk to us about our investigation efforts. And I guess as far as whether or not we would go out and invite state and local law enforcement agencies to go with us on inspection, I guess I would like to consult out lawyers first on that point.

I don't blame you about that last point. I am sure you have surmised by this point that Mr. Applegate works very actively on this issue. What might be helpful is that if you do come across any dead ends with Justice saying we just don't have jurisdiction in our opinion to these particular criminal activities. If we could be kept informed

of any roadblocks that have been created on the federal level quite legitimately and Tom would be able to get in touch with some of his state and local contacts and ask for your assistance because so often it happens here we are more than willing to cooperate with the state and local official and the state and local official doesn't call you up and ask for it because nobody in Justice has called that person up and said I can't go any farther on this but I thought you would like to. Tom would be glad to play that type of liaison role.

I don't think you would find a roadblock between us in Justice. It is just a matter of interpretation as to whether there is a federal . That is the big problem, not a roadblock.

Wouldn't DOJ if they conclude it isn't wouldn't they say so?

Oh yes.

So you back knowing that at least from their perspective you are going to have to pursue it with the law.

See I have already reported it to some areas from fire arms is already apprised of some of this stuff.

I can understand DOJ is an umbrella underneath which sits FBI, DEA and ATF. ATF is treasury. But you have DEA and FBI and then you have ATF out under treasury so the whole point is we are getting back to this thing of how

many agencies and are we going to have cooperation, a guy from NRC and a guy from AFT and a guy from FBI and a guy from DEA and a guy from DOJ sit down and say all right guys let's share information here. We have one common problem. Is Zimmer a power facility. Are we going to share with each other that common problem or are we going to just wait until we all make our formal and now I realize that it is like DEA and FBI and trying to get them to sit down and talk to each other and that is difficult. But the whole point is that this has been a difficult matter from the outset and maybe it will be the NRC hopefully and in my estimation at least we hope NRC will take the lead in bringing together these agencies and say we have a common problem. If not only from the standpoint that some of these common problems have affected your nuclear safety.

Correct me if I am wrong about this, I think the four specifics that Mr. Kempler outlined are very constructive and reasonable and I am quite satisfied with that. We should let Mr. Davis go on with his lesson.

We will make Mr. Everett aware of the meeting, we will provide him a copy of the transcript, we will tell him that if the FBI wants to accompany us on these things we would encourage and welcome that. With respect to cooperation with state and local governments we said that we would consult our lawyers before inviting them to go with us on any part of the investigation.

We would be responsive to them if they contacted us.

We will share with Mr. Applegate any legal limitations that Justice

informs .

Are you saying we are going to encourage the FBI involvement or simply inform them of the situation.

Encourage it from the standpoint that if it concluded federal issue, we would encourage them to go along with us.

I think that is the key element as to whether or not they consider it a federal issue.

OK going on with the list. You said we would explore how we can protect witnesses so they will feel free to talk to us. You said we would pursue methods of assuring people that we would provide information that they gave to us as background information if they are afraid to have us attribute the information directly to them. We agreed we would keep OSHA informed of any industrial safety type findings and we would continue to coordinate the follow up in those that we have already brought to their attention. We agreed that our people will or our investigator will contact Mr. Applegate each week whenever they are in the Cincinnati area to see if there are any new bits of information he has obtained that are needed to continue investigation. If we have problems interviewing and talking to people and it appears Mr. Applegate could assist us in that then we would request that assistance.

As much as my limitations are being a shut-in.

We also said that we would subpoena Mr. Ross because he apparently needs that in order to talk to us.

I am not sure we need that.

We will do it if we have to.

Because we have talked to him.

So we will say we will subpoena Mr. Ross if necessary. I already had down that we may have to subpoena Mr. Harris. And those are the ones that I wrote down.

Before we all came together as a group I appreciate your observation, Mr. Kepler, about the need to be taking statements under oath particularly with utility executives such as Mr. Marshall and others we have criticized in their disclosure for unsworn statements in the investigation. Perhaps you could outline what your procedure is going to be on having statements under oath. We kind of went through the other extreme where people were afraid to talk with you at all who might be favorable witnesses that you will take it as background but we are also concerned about when a utility official denies it they might be more hesitant to deny a problem if they know they can be held accountable for it.

We have been interviewing people at the NRC office on site and when we tape a statement of the interview it is usually attended by 2 people and when we take a statement it is witnessed and they are sworn to it. It

is a true statement. We provide them with a copy of that statement and we retain the original.

You haven't done that 100% though have you?

On this case 100% I think. I gave everybody a copy of their statement.

Did they all swear to it?

Yes all these statements are sworn.

To clarify their were interviews that were conducted that statements were not taken.

In the significant interviews we have sworn everybody to their statement.

Your break is a definition of what you are calling a significant interview?

Yes.

Can you lend anything to what is a significant interview?

Anything related to the gap allegations we consider significant and anybody with new information regarding a new allegation or he gives us specific information we take an allegation. We have talked to some people that are characterized as inspector trainees that have been here

for 2 months and we talked to them for 15 minutes and they said I am sure you are aware of this as a lawyer and they don't know anything. They don't know any better. Those people we have not taken statements from. But people that provide us significant information either derogatory or favorable we have taken a statement from.

So anything that is concerned with the disclosure of any new allegations that you think are serious enough to pursue.

Right.

previous to Mr. McCartney joining us in this investigation Mr. Daniels and I talked with individuals who gave us what we consider significant information and we aren't saying it is bad or good and those individuals we have not taken statements from. We have documented our interviews.

I think if they relate to the issues at hand that we have discussed, I would like to go back and get their statements.

The ones that are separate from this have not yet.

Does that answer your question?

Yes it does, sir.

Is that all that is on the list. The only other thing we don't have a

any dispute about is you know have these tapes enhanced,
and we want you to make copies.

And you will work out the details together -

We will work out the details next week.

I wonder if this is an appropriate time then to - probably
to just get out of the way - we are interested in learning -

Before we start that, may we get down and get travel worked up

We are breaking at this time.

(break)

I think the first thing that is on our agenda is - to get out of the
way is to get some idea of your upcoming itinerary on the investigation.
How much longer do you plan to be doing field work, when you will be
going back, etc. We got in touch with some of the witnesses, we
have contacted and referred to, I guess about 11 of them, in the
day or two between receiving notices of this meeting and arriving.
And two of those 11 said they had been contacted so far and I just
wanted to get some idea of the - what the future pace of the
investigation is going to be.

I don't know that I can answer specifically because each path we go

down takes us down another path and it - so to imply that we can see an end in sight to this thing would be misleading. We have been focusing our primary attention on dealing with the 19 specific allegations which were brought to our attention in the first GAP (?) package. And then pursuing the additional spin-off areas that these take us down and we have been talking to a number of employees at the plant, we have been talking to ex-employees, all layers throughout the plant. Then you got to go and you have to get in and start checking out some of these points and correlating the inputs from the various points and we are at that stage where we are trying to weave some of this material together and get out and verify some of these things, so I can't tell you other than to say I still see several weeks of work involved. It may be several months of work involved, I just can't tell at this stage. We have right now a large group of people assigned to this effort, we are prepared to add more people depending upon the - whether or not it will help us progress; there is a lot of detail that has to be dealt with here.

Perhaps you could fill me in on that a little bit by how many people are working on the case, how many folks you all have interviewed so far, that type of thing. When I asked for an itinerary I did not mean just in terms of time table but what your investigative plan was.

I think to just to scope it we have probably talked about to 40 or 50

people thus far, we have looked up some records, we have looked up some work in progress, completed work, we have to go back and talk to new people that are coming up, we have to - based on today's meeting, I am sure that we will be talking to some people that we have already talked to again, as far as the people that we have working on it, Mr. Warnick, for example, who is the supervisor of Zimmer and a number of other projects is right now personally supervising the effort down there. Mr. McCarten is in as an investigator, Mr. Barrett has been down there almost ongoing, we are using the two resident inspectors down there, I am sorry, one of the two. We have been - we have had some construction specialists going along with our inspectors in some specialized areas - how many have you been using there, three? That sort of gives you a feel and then as I told you earlier a couple of weeks ago Mr. Davis and I started sitting down Monday and regrouping with the people where we stand, going through and seeing what we have, where we are headed, trying to steer the investigation from this end.

Do I understand correctly that you will be contacting all the people that are on these witness lists that we have provided?

Yes.

Yes, Mr. Young is now in Brazil - so I would not expect you to -

Don't be surprised. We may send him to Brazil. I must learn how to

be an investigator -

Maybe we could come along and help

I would not rule out that we may have to talk to him -

Especially Mr. Yohans, in the sense that he was one of the ones
that indicated - as a matter of fact -

I am sorry -

You are saying you are setting it up now?

I was telling Jim we have already taken steps to set it up -

Because Yohans was one of the ones indicated who had kept logs.

We are not leaving any stone unturned in this investigation.

Analogous to that separate point that - on the idea on how far to
go in this, what are your plans on doing independent verifications?
That was one of our primary criticisms before the paperwork reviews.

I can't answer yet, but a lot will depend on what we actually find
in terms of the quality of work, or perhaps what we can't confirm
that good quality of work is there, if there is a question either
way, then obviously some added confidence is going to have to be

brought into the project and how we proceed on that I am not prepared to say at this time.

It depends on what you are calling independent verification. That is where you get into problems. We are already doing independent verifications in that we are looking at welds, we are measuring welds, we are counting cables and cable fans, we are reading radiographs, but what we have not done so far is do our own ultrasonic testing or make our own radiographs.

Let me give you an example, if in fact, one can't have confidence in the radiographs, and one can't ascertain that the welds clearly are sound, then one might have to do independent radiography or detesting, but we are not there yet and we - and until we get to that point of seeing and evaluating what we have, we can't really tell you, but I would not rule out the fact that we may have to do some independent issuances.

In furthering that question, I assume that by what we talked about this morning, that there has been some - we have left an impression that there is a possibility that there may not have been quality work done because of some of this other activity that we discussed. That will be taken into consideration?

I am not sure -

You said you have to determine whether or not quality work was done in some areas. Whether or not quality work was done might be born upon or there might be a bearing on that from whether or not there were quality people working on it, in other words, were the people up to full strength or were they not.

The information that you provided will have to be checked and pursued and certainly it is an area that has to be pursued, yes.

That will have a bearing, okay, that is my concern.

Maybe, you could define for me Mr. Kepler what it means to decide that you don't have enough confidence in the radiographs that your sight checking or the welds that you are just looking at before you go out and do independent tests - do your own X-rays on them. What type of circumstances would make you suspicious so that you would go out and double check it and -

If in fact we do uncover, I am not saying we have or have any knowledge of, uncover radiographs which should be documented in their packages and we get to that package and that radiograph is not there, then there would be a good possibility that we would go back and make the radiograph ourselves. In other words, if the records showed that that package was complete and should contain a radiograph, and

in fact we do not have that radiograph there, then that might be a place where we would go back and make our own.

What if you came on a situation of where a specific weld was identified as being one where a witness asserted that he had seen that there were flaws in it and the radiograph says there is nothing the matter with it, in that case would you be considering doing an independent check on it?

We would have to evaluate the entire circumstances on it.

I would not just coldly say yes, we would have to further around that weld.

I think you tend to make your judgments like anything else on what the preponderance of evidence tells you.

Speaking of the preponderance -

Let me just make that clearer - you know one person says hey, that weld is not any good and I know that weld is not any good and there is nothing else to go along with that, then in the system that you have looked at in terms of other welds you have some confidence, then you would be probably inclined to say, I can't go ahead and just redo the work of every worker that comes up and raises a question. On the other hand, if the evidence that is before us suggests that you really don't have confidence in the system, and this and other

perhaps other welds might not be good, then you might - and you can't get a better handle on it, maybe the one way to get some added confidence is to go in and make some independent tests, but I think you have to put yourself in the circumstances of making your decisions once you see what your evidence is and I have a little bit of a problem trying to judge ahead of time how I will react until I see what the preponderance of evidence is

My question is more basing your past experience when you come up against a situation like this -

Let me give you an example of one that is I think bears on the question and that is the concrete patchwork at Marble Hill. There we had really questions about the controls there and about all the patches that were made. So - and about the soundness of the concrete in general - so we required a statistical sampling program of independent measurement covering all types of concrete placement, difficult joints, concrete in the middle of rebar, areas by which one could get a statistically meaningful confidence factor, 95% confidence, 95% assurance. That things were okay. We did the same with cadwelds that were rejected down there - we did a sampling program - some they destructively tested to show they were sound; others they visually inspected, it was a program that was agreed upon by some consultants. We might even have to bring some consultants in on a case like this; I don't know. But there are ways to do this.

Okay, I can give you the reason why I am pressing on this is that the initial NRC reports indicate that the records show very low rates of rejection and so many witnesses are telling us that there was a much higher rate of rejection initially, it seems we are back again to a swearing contest and under those circumstances we think it just might be a good idea to take of suggestion that - not just from him but from a consensus of witnesses we talked to - that you identify some certain number of welds that ought to be checked and try to pin down factually who is speaking the truth.

Well, you indicated earlier that there were some specific welds that you might steer us to, that the people might steer us to. And that may well be a solution to the problem. I don't know yet. But I have not ruled out at this stage any alternatives.

Pardon me - just a second - let me switch these tapes.

- we are back on track - I want to address one thing - you were talking about and leading to that and so forth, I wanted to bring up No. 1, this point about - Ed Hofstetter - you had asked before, Paul, about did we have any more information with regards to cable trays being heavily loaded for one reason, etc. - there was an affidavit given by Mr. Donald Blanch and I think you have a copy of that affidavit but I think Mr. Blanch should be one of the people you talk to about that problem of overloading on cable trays. Mr. Hofstetter felt very strongly about that and also again going back to the Aldrich case, I want to emphasize that with regards to quality assurance radiographs - you were talking about looking at radiographs and looking at paperwork, etc. - I asked him okay, I said, I know that the pipes are numbered and anytime you X-ray it, it is supposed to show you on the - to show the number on it and I have heard that it is not that hard to take an X-ray that looks like it is a picture of one pipe and have it actually be a picture of another. He responded by saying, oh, it is true you know if someone is going to lie and cheat, it is very hard to go against the grain - especially if the intent to defraud is there originally. I think Mr. Aldrich is stating that there that he at that time some reservations as to whether or not a lot of the X-rays that you are going to be looking at - whether they are accurate and so I think you know when you come down to a point of looking at the welds, etc. you are going to have to take it with a

grain of salt, either that or they are going to have to find out from Mr. Aldrich and pin him down - don't just let him brush aside the conversation - as well, he did not understand what I meant - I mean it is understandable - I think anyone who listens to that tape and again I will stand - anything you need in the way of verification on that tape, Tom - what are we hearing here, I can't exactly hear it - or something like that - get them audioized and then if you have any questions, I would be glad to sit down and listen to the tape with you - there is a sound studio in Cincinnati that will listen to these tapes, etc. and I have my copy of the tapes - not a very good audioization of them but there is a sound studio in Cincinnati that can do that - it is rather expensive, but the whole point is that I think Mr. Aldrich's conversation has to be looked at quite seriously with the idea that there was something about the way they were doing quality assurance radiographs and then at a later time, they were asked to leave because they were rejecting too much - and slowing down production. This was what imparted to me by Steve Benney ?, Ron Sellers, and Dave Haig, was that every time they reject something, you see, they were slowing down production and anytime they slowed down production, that caused them a problem from the quality control people. Then they had Kaiser quality control on their backs and CG&E on their backs - don't slow up production, go ahead and accept it, etc. And that was the major problem that they seemed to be having - was that when they would reject something, rather than having it go through the normal

channels of rejection and getting fixed or getting finally accepted that CG&E and quality control in Kaiser & construction people in Kaiser were more concerned about the slowdown of production, so I think that aspect needs to be looked at when you are talking to Aldrich for what it is worth.

We need to clarify what you said there, because it doesn't specifically say that they are doing that - makes comments along that line.

Certainly intimates towards it-

He doesn't say it specifically - and we will talk to him about it.

And that is important because you asked me that same question, I would tell you the same thing.

It certainly is possible - you can fake

In thinking about that conversation Mr. Appleby is certainly doing most of the talking, and Mr. Aldrich was more agreeing in general, but if there some problems found he wondered why he did not correct them - his impressions at the time.

We have to look at the whole picture.

In the Aldrich conversation, -

It certainly makes you stop and think, what he assumed was a confidential conversation - he did not feel there was anything ongoing that he did not tell Tom, we don't have any complaints about this, I don't know why you do. But he was careful about his wording.

He was careful but I would go to another one where I made the comment - about why they got kicked off the site and you said you worded it exactly quote, unquote almost - and then said I yes, wasn't there any feeling within your group that there was something more to this than just asking you to leave? And his comment was, well yes, there is - our situation has been dictated by Stamford corporate people and their position is that they are on a lot of utilities and a lot of power plants, not only in testing but in building precipitators, scrubbers, environmental controls in other areas. And we have been told basically that to try to go in and defend this issue, might have an adverse effect on the other utilities taking the position that Peabody is going after a sister utility here and maybe we should not be considering them for any further work. No I don't think he was making any inferences there, I think he was coming right out and saying that if they went in and tried to defend this matter, you know, he said it later on in a little bit more detail, he would be off every hour to request for quote bid list within 30 days, every major fabricator, within 30 days - 600 million dollar company flush. And I think he has

adequately stated it there and that is the whole point of what I am trying to get from the Aldrich thing, is hey, look, there were other reasons than the fact that you weren't performing which is the reason that was supposedly given for their dismissal, was that they were not performing, there were other reasons, what are those other reasons and who the hell was putting pressure on them.

Tom, I would like to get into some of the other issues that we just had questions about with investigators' methodology in general because we made strong criticisms in the initial disclosure and we tried to base these criticisms on research from other governmental agencies who oversee the NRC as well as the complaints of the witnesses we have talked to, their impressions of what should have been done and I just want to make sure that we are not misunderstanding some things because of course this is going to be going for awhile and currently we are trying to work in partnership but if we are not satisfied, I would sure not want to be because it was based on a misunderstanding so maybe I could make some queries on your approaches. The first thing, we have been checking NRC public documents room of the previous inspection report of Zimmer for the last few years - just in translating the reports we have some questions. The first one is what is the distinction between an item of noncompliance and something which is just a safety problem, what other criteria for making a formal finding of noncompliance.

Noncompliance is a violation of a regulatory requirement.

I just noticed in a few of the reports, there would be interior statements that this was not done in accord with something CFR something but it would not be included as an item of noncompliance in the summary, in the official findings, rather. Is there an oversight or was there some further distinction that I am not aware of?

No, if it is an item of noncompliance - if there is a violation of a regulatory requirement, it is handled as an item of non-compliance. If there is perhaps a regulatory guide or a standard or some other system that's defined which is not incorporated as a regulatory requirement, then that might just be just an observation made by the inspector.

What would be the enforceability on a violation of the FASR which oftentimes is a much more detailed than the regulations could go into?

A violation of the FASR has no - in a plant under construction - has no enforcement status.

- the FASR by amendment -

They could turn around in the FASR don't do it.

If I understand correctly the regulatory guide said the way your regulations are interpreted, flushed out, and the plant has - the utility has its option to follow them literally or provide a substitute for the FASR, is that correct?

What we have taken with the licensing position is that which is described in any particular reg. guide, then yes, they have to meet that or give something that is an acceptable alternate for that.

So what is the value of an FASR if it is not enforceable a lot of times on a construction?

Well, the FASR is to reflect the as-built condition.

So once it is actually in operation it would be held to that standard.

No, the FASR basically is to provide the substance by which the licensing people review the plant, to determine whether an operating license can be issued. It defines the plant siting, the design of the plant, the safety systems, etc.

Now, if during the construction of the plant, or the period of time which it takes to construct the plant, the utility either decides to change something because three years later there might be a better

way of doing it, something, obviously you don't want to preclude the right to make the plant better, but by the time the plant ultimately gets licensed, then the FSAR as revised is consummate with the final design of the plant, for all intents and purposes. What happens is once the commission has decided that that plant design is safe and meets the safety objectives of operation, once the Commission has concluded that the plant has been built properly, once the Commission has concluded that the plant has been tested properly, and once the Commission concludes that the utility is capable of running the plant safely, only then does an operating license be issued. It is a formal finding made by the Commission there is a safety evaluation report put out by the licensing people, and there is an inspection finding made by the I&E people - when that is all done and meshed, then an operating license can be issued. With that operating license goes what we call a set of technical specifications; those are the Ten Commandments so to speak by which the utility can operate. They must comply with technical specifications and any other regulations that are incorporated through the license. Does that help?

I think so, I just want to be sure that I understand what the legal significance is and when - when a FASR on paper doesn't reflect the conditions in reality. And as I understand your explanation it would be a part of the licensing process to get an operating license is when that would be relevant.

Yes, let me take the ultimate extreme with you. Let's say that the Zimmer plant says that we are going to build a boiling water reactor. I am going to be a little bit facetious in the way this is done, but theoretically they could build a pressurized water reactor - there is nothing that precludes that so to speak in the construction permit itself. Now obviously that would be a ridiculous extreme to go to and we would not want to go that far, but if someone says, if some licensee says, we are going to add a valve or take a valve out of the system, they don't need to come to the Commission with that change that is made and say can we do this ahead of time. They go ahead and do it and ultimately sometime before the license is granted, this document - all these changes are made, usually on an ongoing basis, and sometimes they are called to the attention of licensing by us, sometimes the utility brings it to the attention, but there is - those points are reflected in the final review of the plant.

Now would that be - I am skipping ahead of myself with this, but if you find out that an FASR is not being complied with, IBM training

is one of the things that has come up in this plant, the FASR says we will do it in this fashion and they are not - what significance is that for you now - is that something that you would take into consideration - on a decision to suspend the construction permit, could you do anything with that information other than file it-in 1982 report the thing?

If it said that welders were being trained under a certain program and let's take the extreme that there was no training at all, I think obviously we would want to do something about it; we would not wait until 1982 to do something about that - on the other hand, if the NFC inspectors made a determination that a training program of another type was comparably good, then they probably not do anything about it.

So this is really a guideline for your exercise of discretion?
Is that what you are telling me?

Well basically what we focus on in the inspection process is the principles of the quality assurance criteria, 10C, Part 50, Appendix B - that serves as the guideline by which we inspect against, not so much the FASR and if design changes are made or other substitutions that are consistent with the 10C, Part 50, Appendix B criteria in that, that usually suffices to us. Now if there is something in the FASR that is very critical in terms of how something is done, then that can be brought into play. We may focus on it -

The testing of loaders - the training of loaders -

Well it depends - there are many ways to test loaders - there is not only way to test loaders.

We found that out.

Do you understand, Tom, the difference between the PSAR and a FSAR?

Yes.

I think that is very helpful to me.

I think that you are going to have to talk about specifics that way but I think I sort of laid it out for you how we would handle something like that particular item.

Next question I have is your side of the story which we criticized about, receive an explanation; we had criticized the initial report for having conclusions that were too narrowly drawn and I just would want to get an explanation as to how you decide how broad your issues should be drawn and to provide a specific example for you. On the item of noncompliance that Mr. Phillips found, he said there was a violation in not having a hold tag on one of these pipes. In his summary also went on to describe how one of the employees was working on that pipe and was told by another employee, a supervisor, to lay off on it and we were critical that the report did not investigate further then and find out what was the responsibility of the supervisor who said not to put a hold tag on it - what was his motives, what is their explanation for that, how are they going to be held accountable for this. So maybe just in the context of that particular

example, you could describe to me your criteria for how broad to draw the issues.

Let me say that with OYA doing an investigation of Mr. Phillips' report and the specific investigation that he did - I would not want to comment on this point in time. On the specifics of that case. I would comment in general as to how we would go about it. I think basically the approach that is used is to try to not be narrow with the allegation - take the allegation and to obviously look at it itself to try to factor in the generic implications of it if you could - does it apply to one weld, does it apply to other welds, is it a system problem or is it a specific problem - I don't think we try to look at it as an isolated case with blinders on it in the general comment. We do - we are interested in looking at the broader application of it. A lot of times I think communications is an essential element in this too. Generally speaking when you are talking about allegations and you are talking with people who may not be directly in the business, I think sometimes we don't always communicate as well as we should and I am not implying that this did or did not take place in this case, but I do think that we tend to think of things in the fact that we are in this business 24 hours a day - 7 days weekly so to speak, and we are dealing with people who either bring up an issue through hearsay or through contacts of other people and I am not sure that we fully communicate all the time. I think we try to reinterpret the problem our way

and then we proceed to go at it our way. I think also that we also try to put ourselves if you will into a position of documenting the allegation in the terms that we understand it best and I guess I am inserting a little bit of my observations in the earlier case but I feel we try to look at the thing broadly, we try to document it as though it is going to be read by the public and not try to look at it in an isolated fashion.

I appreciate your requesting that we look at this on a more general level rather than our specific criticisms - I guess in some ways what I am questioning is your standards for your staff in the Region and in light of that with this kind of discussion we - you say that the problem is brought to your attention and that you would not just limit yourself to just looking at the effect of that problem, but in most general terms you would try to find the cause of why that had occurred.

I think so.

I think there is one thing that we have to acknowledge and that is we do an inspection program at these plants during the phases of construction and when we are doing an investigation we don't necessarily repeat everything that has been done in the inspection program. If the investigation were to lead us into an area that has been inspected in the past with no problems found, that might

in some cases be enough to say hey, we don't have to go there. Our inspection staff has already looked at that. That is a judgment call a lot of times.

I think that was the point I was trying to make - our standards are for us to understand fully the problem and whether or not we think we have addressed the problem based on the information we have and I think in my own mind - at least a point I am interested in very much in terms of how other people view our efforts - is how well we report what we actually do.

Well, there I don't think we really had any criticisms but we were able to critique it because it was very straightforward on what was done and what was not done and there was no intent to distort or in any way try to hide or claim that more was done than actually was. I appreciate that. The next question that I had was what is the formal follow-up procedure on unresolved issues, we have been coming across in our review of inspection reports just a real pattern of inspections which were done and a few items of noncompliance and large numbers of issues that were reported as unresolved. And we are interested in what type of procedure you have to resolve those issues, to clear them up, how long do you give for those things to be cleared up or how much you double check the utility reports that they solved the problem and how do you deal with the unresolved issues that are disclosed in your reports?

Well, a lot of unresolved issues are issues that are tracked to make a determination of whether there is involved enforcement action or whether they are involved in an issue that has to be corrected. As far as the time element goes, for a plant under construction, there is no time element, other than the fact that the plant does not get an operating license until that issue has been resolved to the satisfaction of the NRC. Now the only time there might be a time element involved is if the work or the issue in question is something that will be covered up by subsequent work. Whereby you won't be able to resolve it later on, so then we might put a hold on a point until we allow work to go ahead in that particular area, but my reaction from a regulator's standpoint is I don't care if it takes 20 years to build a power plant or two years.

I was just wondering because I think that some of these things could pile up over the years.

We have a tracking system by our inspectors to satisfy these.

And the lead inspector has the responsibility to follow up on them. And each item of noncompliance has to be contacted and closed up formally.

Who is the lead inspector at the Zimmer?

Mr. Barrett. On this - see we have just gone through an organization change. Paul has been the leading inspector on construction and Tom Daniels our senior resident has been the lead inspector in the operations- preoperations testing area and now we have combined our project section into one and Tom Daniels has the lead at that plant. Paul still has the lead, we have not made the complete turnover on the construction items and of course Paul has the lead in this investigation.

One question that I have that had come up in my discussions with Mr. Griffin is on the quality control system. The core of his complaint is that there was no independent quality control program for vendors other than GE which had its own. And that in the defense industries that he had worked in this normally had been a procedure going out to the vendors manufacturing operation and checking to see if their work was being done well. And his complaint at Zimmer was that they were just taking the vendor's word for it which seemed consistent with the constructions that we have complained about to PH on the prefabricated piping. Mr. Griffin told me that he was informed several years ago that all of his criticisms were accurate but that they didn't violate any regulations. Is that correct, that there is no requirement in the law or your own regulations to do more than get a certification from a vendor

that -

I remember when this issue came up, I don't recall off the top of my head what the resolution was but maybe you could address it, Paul.

In response in general to your question, the licensee has responsibility to verify the suppliers and their material - they cannot be later designated as material, they must go in and assure that that vendor has a QA program that is comparable to their own. On the part that they supply, if you only do welding, then they must have a QA program commensurate with your welding activities - you don't have to full blown program. CG&E for example would have to go to Kellogg and run audits or whatever and review their QA program to be sure that their program was applied to good quality products to be used in a nuclear plant.

So they would not be able to just accept a certification?

One thing you might be interested in REgion IV has a vendor inspection program where they go out to various suppliers who nuclear power plants and make their own determination too.

The NRC does that themselves?

Yes.

As I recall, and you can help me here, the issue that Mr. Griffin raised was that GE appears apart from somebody else. GE does a vendor inspection of that part, then does Cincinnati have to do a vendor inspection of that part.

Not necessarily.

And I think that was the point in question.

Well, that was an example - as I understood that was more of an illustration of his concern. Really the core, as he summarized it to me was that Kaiser control people were told that we would have to put our trust in the manufacturers and that as far as they needed to go was to obtain certifications and to get telephone references from other utilities that these vendors had done acceptable work in the past and that was really his structural criticism - was that it is really little more than - like hiring someone for a job where you go out and contact their previous employers - you get a certification from them that they will work hard and I think he was talking about GE as an illustration of what he thought was a very high quality program - not so much the specific standard that would be a violation of law.

And they have to substantiate that their certifications have quality in the field. There are times when you can take

an item and as a standard industry grade item and use it for a nuclear application.

But that was another issue that he raised was that the quality control program doesn't relate to everything - it relates to central components much more strictly than noncentral components. One of his criticisms was that plants were being delivered as nonessential components and upgraded to critical status after they were there - what type of tracks do you have available on that type of thing?

Anytime that someone wants to do something like that they have to prove to us that that component can perform in safety and service as indicated. They either go back and recut the component or go back and some way prove that that component has met the same requirements as any other safety grade item.

So the licensee has an obligation to prove to the NRC - they have to satisfy you all if they want to upgrade a component.

Yes.

They really have to satisfy themselves too. Under their QA plan. We audit and determine that they do that.

Like he was saying that the Kaiser QA plan had been satisfied that - saying that they did that as a routine. He was in effect was saying that Kaiser was consenting to just going through the motions on upgrading things and I am very encouraged by the explanation that they also have to satisfy you all, not just themselves.

I don't think we should mislead you, they have to satisfy us on an audit basis. We are not 100% auditor of a power plant. It is our job to determine that a licensee is building it properly in accordance with its QA plan but we are not 100% receipt inspector or 100% audit controller or quality controller.

So in other words some of this responsibility will fall back to Kaiser in their quality assurance program and whether or not that quality assurance program is of a standard and CG&E -

you have the whole gambit - you have the vendor -

Right, and some of our basic criticisms then do fall into this area of quality assurance program at Kaiser and CG&E - again, we go back to the allegations - and whenever we have something like that what we have to do is like we are doing - we have to take a bigger sample and we have to in some way determine that the plant is adequately designed and built or not.

So Kaiser would have to at least justify to you their decision to upgrade components - you may not go in there and be looking right over their shoulder and doing a site inspection but they would have to provide some basis other than just saying that it was upgraded.

Yes, it would be in their quality assurance plan.

Maybe not every time they make a move such as you are talking about, and say we are now operating this system, I mean using this piece of material, again, they might standardize materials in some cases which meet standard industry grade and then when they find - they are going into a non-safety or safety system, that they are allowed to dedicate some of those components if they do meet standard industry grades to safety systems. They will not come and say, hey, we are now upgrading this piece of material to go into it. They are required to assure themselves that that material does meet the grade that it is required to meet.

When do they have to report to you on - say, they have made a change in a component?

If they change a system - an entire system, something that goes against the FASR as it stands now then they will let us know that

they are changing the FASR.

So really all the QA program has to do is say that this was
- these materials were received consistent with standard industry
quality.

Now, I was just giving you an exception to the rule - we have certain
items that fall into that category. If you Part 21, and read
that you will get a better feel for what type of items we are
talking about. I did not want to give you the idea that they
could go out and buy everything nonsafety related and put it all
in there and all of sudden dedicate it as safety related.

I guess this ties in quite a bit with my next question. In 10CFR,
Appendix B, quality control is described as needing to be referenced.
Maybe I can even get the specific quotation. But I was concerned
that that meant that there doesn't need to be anything more than
a certification, as referenced is such a general term.

Can you elaborate on that, I don't understand what your question
is.

Maybe I will just look for that after the meeting. The next thing
that I wanted to ask was on the NRC Dept. of Justice memorandum
of understanding on criminal activities - theft of nuclear materials, etc.

When I first talked with Mr. Cummings after we had turned in our disclosure, he informed me that I was mistaken that this memorandum applied at the Zimmer plant because there was no nuclear fuel there. And of course there is some nuclear fuel there, but not radiated. I did not catch that distinction though from reading the memorandum of understanding - when does your responsibility to coordinate with the FBI or Dept. of Justice start? - with your legal obligations.

Well, possible theft , criminal activities,

List of criminal activities.

I think the same example I gave you with Missouri, there was destruction in your interpretation, yet there was nothing that the Dept. of Justice could do on that. Therefore if they could not do it in that case, I don't think it would fall in the purview of our memorandum of understanding with DOJ -

So if DOJ does not have authority, then we don't have to coordinate. If DOJ does have authority, then you -

- go to DOJ, you have to statute - there has to be some public law involved.

I am not from the Dept. of Justice but I have prosecuted in an 8 state prostitution ring. I was on the investigative end of one of the

largest prostitution raid in this country when it was broken. I know that to take a girl across the state line and put her up for raffle, like the Zimmer nuclear power plant is against federal regulations. I know that to raffle firearms in any way, shape, or manner is against federal regulations. I know that the sale of moonshine liquor is against federal regulations; I know that the sale of illicit drugs - marijuana, PCP, quaaluds, speed, downs, etc. etc. is against federal regulations. Now we have brought what we feel is a preponderance of evidence to the effect that there has been this type of activity conducted at the Zimmer Nuclear Power plant when the NRC under of its memorandum of understanding -then make a recommendation to the Dept. of Justice to examine these matters and make a determination as to whether or not there has been a violation of federal regulations and again, I think what Tom is saying about with the presence of nuclear fuel on the site, that puts into force the FBI's requirements for investigating crime at the site.

You are backing in, you are adding up of numbers, but what you are backing into is the concept of a memorandum of understanding utilizing all these federal statutes that are being broken by employees of a private concern with the -
with the cooperation, etc. of management.

But that is still not a government employee - it is not a government employee - you are saying federal law has to be violated before this law takes effect.

This is basically a NRC - it is just the Atomic Energy - FBI also - Atomic Energy refers to it - or the DA -
- that was your responsibility to report - you have done that, that is the point that we keep making to you.

What we are saying is what happened is in January of 1980 I reported this to the utility and there is something in federal statutes that requires people to report evidences of federal crimes. The utility did not do that and as a matter of fact they threatened me not to open my mouth about it. I was told that I could not get anywhere, I was told that I was a mouse compared to their cooling tower and that I would not get anywhere with the NRC and that no one was going to listen to me and bla, bla, bla, but the whole point of what I am trying to say is that these things were done with the cooperation and assistance of management - now when and who does anyone take responsibility - for these yahoos down here conducting one heck of a party. That is what I think we are trying to get some clarity on insofar as the memorandum of understanding - correct me if I am wrong, Tom. But I think insofar as memorandum of understanding is concerned we are trying to get some clarification if - when does it become the DOJ's responsibility to enter into these matters or when does it become the responsibility of the Nuclear

Regulatory Commission to refer to DOJ and say under our memorandum of understanding we have evidences of criminal activity at one of our power sites and under our memorandum of understanding we would encourage you to come -

We have covered this issue about four times today so far and we have reached an agreement - we are going to do that, we are going to pursue it. It is going in accordance with our agreement.

Do you understand that that is the first time that has been said to me since January 1980?

Well, it is the fourth time today.

Well, okay, maybe I need to hear it four times because I have heard about six times that my head is going to get blown off for telling you all. So maybe I need to hear it four times- maybe I need to hear it five times - maybe I need a man from DOJ to sit in this empty chair and say we are going to look into it.

I don't have any further question on that.

This memorandum of understanding thing - I just wanted to reemphasize and I am reemphasize one other thing and that is about the construction

permit, but I just wanted to reemphasize the fact that these activities took place, that it was burden on the people of the State of Ohio, that it was burden on the people of Claremont County that it was a burden on the United States taxpayer because there were federal funds went into building this plant.

I think the one point I make again that was brought up that is very real - the memorandum of understanding relates to the Atomic Energy Act.

- criminal matters that - that is the key to this memorandum.

That and the Energy Preorganization Act which I guess just carried it over.

Yes, that is correct.

I think that I probably have the answer to my next question but that was on what the relevance of drunkenness at the plant is and I assume from our discussions already that it becomes relevant if it can be some causal relationship to safety problems.

I treat the significance of drunkenness in the same boat as I treat the significance of drugs.

Let's say that drugs is a criminal activity and drunkenness - personal.

But from a health and safety point of view, it concerns the same.

I just have really two questions left here to wrap this up. The next one was on the standard operating procedures for inspections. I have been, I don't know what the proper term for it is, but very impressed with the distinctions in the approach to the first inspection that Tom was the catalyst for and approach to this inspection investigation. I have been very impressed with how thoroughly you have done in following through all these leads and of course have heavily criticized some of the initial efforts on it. What is the approach? I know you have very limited resources and thousands of things that you could constructively look into in depth. When a complaint comes in, do you routinely use your normal procedures to investigate and interview the line employees as well as the management? What is your normal procedure for resolving contradictions when a complainant says one thing and provides some evidence and management denies it? What are the instructions that you folks follow for resolving contradictions for who to talk to in these inspections?

Let me first of all correct a statement you made earlier. I think you said I was critical of our earlier investigation.

I said we were -

You were critical of it. That is correct and I acknowledge that and I guess I will wait to see the report from our OIA people as to how critical I am when they discuss their findings with us. That investigation is ongoing. Let me distinguish first - just to get a little background - let me distinguish between inspections and investigations. We have an

inspection program that is say what they call a defined pre-planned like program at which we look at certain activities during the course of the construction of a new nuclear power plant. We try to sample all safety related construction systems by observing work in progress, we look at records and we talk to people. Sort of a combination of all of those things. We also have on our staff 5 investigators and these people are largely tied to looking at allegations that are brought to our attention independent of the inspection program either by plant employees or by members of the public. At other times we may use investigators to follow up on an incident that may occur at a power plant where the determination or precise determination of sequence of events or how people reacted, the aspects of which may become very important. The reason we do this is the background of our inspectors is largely a technical background in a precise area of nuclear safety or construction etc. The background of our investigators is an investigative type background and I think a very key difference or at least one key difference I might distinguish is that generally speaking inspectors go after things looking for the logical explanation of what happened. I think it is fair to say they are interested primarily in the technical aspects of a job and there is an element of some trust between the licensee and the way he does business. The investigator is I think a more inquisitive type of person. He asks questions from a little more distrusting point of view and he tries to check his facts a little better. He goes after things by maybe asking the same question five different ways. He has five different viewpoints. So when we get allegations they are usually handled by an investigator or sometimes if there is a technical element to the investigation we send in

an inspector, one or more inspectors, along with an investigator. That sort of describes the program. As far as the techniques go I guess maybe talking to an investigator might give you a better idea but my understanding of the techniques of an investigator is that he tries to pursue first the understanding of an allegation that is made, what the person is trying to tell us. They talk to as many sources of people as they need to to try to draw some conclusion as to the actualness or significance of the allegation. There are no holes barred as to who they talk to from the president of the company on down to the lowest individual at the site. In fact they often have talked to people who are not at the site. There are no bounds as to who they talk to. It is a judgmental thing as to how far they take it and how well they determine what they feel they need to determine. I guess to scope just a second for you our policy has been and I continue to believe it is the right policy is that we investigate all matters that have potential nuclear safety significance. Our policy has been that we do not investigate matters that do not relate to safety and that is a matter of contention between your group and us. Which I guess we have to wait for further decisions on but that has been our policy. It has largely been our policy because that is our background. We don't know anything for example about going out and involving ourselves in criminal aspects. And to try and tell basically the risk of over-kill. For us to go out and tell DOJ how to do their job or some other government agency in law enforcement it just boggles my mind that that is what we ought to be doing. And we haven't been. We have been focusing on what we have expertise in. That is nuclear safety.

I want to clarify one thing. I have never suggested that the Nuclear

Regulatory Commission was responsible for going out and checking into and that type of thing. I think what I am trying to clarify in my mind is the Zimmer Nuclear Power Plant is no St. Peters facility. Where you can say mass anywhere you want. In the sense of the Zimmer Nuclear Power Plant it is not a sanctimonious piece of ground where criminal activity can be conducted without someone saying no and without someone having the primary responsibility to say you come in here and slap their hands. Now because it did involve such multi-level people, we are talking about top level management, middle level management down to workers because it did involve all of these people and because all of these people were involved in the process of building a nuclear power plant I think it is reasonable to assume at least on my part that the primary regulatory agency there would have the responsibility of saying all right now we are going to have these people come in and smack your hands. Because while you were partying and doing whatever you were supposed to be building a nuclear power plant. Now we have to go in and investigate and find out whether or not you built it right.

I understand your position.

To finalize and summarize my position OK because what I am saying is let's not condone it. I am sure the Nuclear Regulatory Commission by no stretch of the imagination wants to but it is just that I need for somebody to clarify it for me. Who is going to be responsible for taking care of St. Peter's facility in Cincinnati. Zimmer's private little swatch of land

that they do whatever they darn well please to do.

Let me say to you with respect to this particular investigation I have adjusted my own thinking to the point that because there is a credibility issue in question on our part and so forth. I am trying to lean over backwards to do the most complete job we can in terms of answering the issues involved. I have told my people that it is not satisfactory to say that is an OSHA problem. I am telling my people I want follow up on the OSHA problem. So we are trying to be as responsive as we can on this issue. That is my decision and I may be faulted for it later I don't know and I don't care. We have broadened intentionally the scope of things we are looking at this time.

I would like to talk about your response and see if I interpret it correctly. I inquired about what guidelines there are for investigators to resolve contradictions and whom to speak with and you responded if I interpreted it correctly it is a judgment matter but there are no holes barred. Is it correct then it is up to the individual investigator's judgment as to whom he will talk with and how he will resolve those contradictions or is there some policy direction you impose.

I think it is up to the inspector or investigators and his supervisor. There is no written policy in the office if that is what you are asking for.

The last thing I would like to go into is how you exercise your discretion

or judgment on what counties to go after when you find some problems there. Decide there isn't a problem or say it is non-compliance and should be corrected. It is not compliance and it should be confined. You can go further and say it is so serious that the construction permit should be suspended. I checked the standards on inspection of construction permits and they were very broad and you have the authority to do that almost at any time it seems like and obviously it is very severe stuff that wouldn't be taken. What does it take or what is the criteria for suspending a construction permit as opposed to imposing a fine as opposed to not imposing a fine just recording a violation?

I think it might be helpful if I gave you a copy of our enforcement criteria.

Yes I would appreciate that.

That pretty much gives you a feel for the way we escalate enforcement actions versus the kinds of actions that we have taken on the regional level. But obviously the more severe enforcement sanctions are attached to the severity of the problem involved. You asked what it would take to suspend a construction work at a site. I think there have been many cases where construction work has been stopped either in total or in part and I would say most of it has been in part. Marble Hill was a good example of where we stopped construction work on all safety related systems.

That is really the catalyst of my question to you. I didn't hesitate to

stop Marble Hill but I assume that is because they went over a certain line.

The line being that I thought there was a major breakdown across the board in the quality assurance program. I felt the basic work that was going on and the people didn't know what they were doing. There was no control over it and poor work was found. There was actually faulty construction involved. There was clear evidences of programatic breakdowns in the Q. A. system. We recently stopped work at the Byron Station in the area of electrical work. We stopped all safety related electrical work up there. Because the contractor involved and the utility involved didn't have adequate controls in place to preclude actual quality construction. That we stopped on a temporary basis until we felt that the program was in shape to permit it. We have stopped work at Zimmer in certain areas. We stopped work on the RCI, manual work.

The only thing that I can say with regards to and again what I have stated before is that as an investigator I know I would find it extremely difficult if the people I was investigating were breathing down my neck or if they had the opportunity to be staking one step ahead of me and as I have indicated to you the utility as well as Raymond International, the owners of Kaiser, the construction people, have made attempts and we don't know how much of my information they have gotten, how much of the information that you are checking on they have gotten but we do have indications that they are trying to get ahold of every piece of it that they can. I think they would love nothing more than for me to drop my briefcase in their front lobby and to that extent we have had problems. My home has been broken into and there are people that call. Like I said there was

that one call when I was there that one afternoon where they tried to
 us with the secretary. She misrepresented herself. She was
 obviously the secretary of a law firm and there was obviously a lawyer
 standing right behind her. And we found that out. The whole point is
 that they are trying to get ahold of this information in my estimation
 so they could cover themselves. Because it would be ridiculous to
 assume that they didn't have a vested interest and I am not saying I
 am out for blood with . I am out for blood for Kaiser. I
 don't want to get them or anything like that. That is not the case.
 That is just frankly, flatly not the case. I am in favor of a complete
 and thorough and objective investigation of what I brought to the

, it is the problems of Zimmer. I think that can be best
 accomplished with a clean site and when I say a clean site I mean one
 where the construction permit has either been voluntarily revoked or
 turned in or mandatorially revoked.

I want to follow up just in fairness to explanation. For example
 would it be necessary if you were going to make a decision to suspend
 a construction permit on the basis of questions about the wells and
 safety related systems through the plant. Would you have to have in-
 dependent X-rays on them or could you do that on the basis of discrepancies
 you found in your own review of utility records. If you were going to
 be suspending a construction permit because there were some serious
 questions about the reliability of the wells would you have to go out
 and do independent verification of those wells or could you do it on the
 basis of the discrepancies you found through site checks or through the

paperwork of the company or examining their own X-rays. Would you have to go and contract for ultra-sonic tests before you would feel comfortable in taking a step like suspending a construction permit license.

Not necessarily. I think it would depend upon what evidence there was to support that there was a real problem with the wells. If you are convinced that faulty construction is taking place and the program for controlling construction is inadequate then I think you have no choice but to go out and stop the project. The problem that I have with Mr. Applegate's statement is that I could put myself on the other side of the coin and say that to require a stop work at the project when evidence clearly doesn't support that there is faulty construction, I think I would be accused of being out to get Cincinnati if I did that. So what I have to do is base whatever action we take on what the facts are of the matter, and we haven't determined yet what the facts are.

I just wanted to clear up what internal requirements you have for exercising this discretion. It sounds like it is not a case of well before we take this step we have to have this particular type of evidence. It is more of a judgment.

Well folks I don't have any further questions for you. Correct me if you are wrong but I think that is everything that is on your mind. I sure appreciate the time you have taken. It is kind of you to sit here and listen to us and respond to our questions.

And then I get these calls from individuals saying this, that and the other thing and then on a regular basis of 2 or 3 times a day I get calls where people hang up. I guess it makes me a little antsy and it makes me wonder why hasn't NRC-called A and B. What kind of shit are they stirring up that I am getting these calls again all of a sudden that I haven't gotten for sometime. I think there is some reason to believe that there are some people down there that are very antsy about your being there. As somebody used to say if you can't do the and you can't stand the heat in the kitchen, get out but maybe some of those people down there can't stand the heat in the kitchen. As far as I am concerned I get cold more often than I get hot so I think we had a very valuable dialogue here today and I appreciate your taking the time to fly me up here and sit down and talk with all of you. I appreciate meeting all of you and I am sure that something is going to come of all of this. I have no question in my mind that when I began all of this, it was for a specific reason of clearing my conscience to the effect that there were problems at Zimmer. Now I may have to go a few steps out of my way to do that but I have done it and I am confident that the on going investigation and what you people have told me today is going to happen and is going to happen. I will leave it in the hands of my lawyer to watch it.

Thank you very much for coming.

GOVERNMENT ACCOUNTABILITY PROJECT

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February 4, 1981

Memorandum

To: Arthur Schnebelin and John Sinclair
From: Tom Devine
Re: Witness list from January 28-31 Cincinnati visit

The following list contains the individuals I spoke with last week who requested interviews with upcoming NRC investigators. Following the name and identifying information, there is a brief description of each witness' allegations. I have had varying degrees of contact with these individuals. Some gave me affidavits. Others are referrals whom I haven't spoken with.

Several individuals conditioned their affidavits on the confidentiality protections you outlined at our January 9 meeting: Investigators will not release the witness' identity except by congressional subpoena or to law enforcement agencies for criminal investigation. One witness will speak with the NRC, but only under subpoena due to fears of job retaliation. These conditions are also noted.

We expect to obtain additional evidence in the upcoming weeks. I am also preparing memoranda on several conversations with former Zimmer employees since my return. We will share all our evidence as we receive it, with the witness' consent.

1. Robert Anderson -- an ironworker for ten years who worked at Zimmer for two years. Can be reached through Tom Martin, witness #10. He tested ten door units in reactor building and pumphouse which are required to be waterproof. All were defective. His affidavit is enclosed. I have not spoken with him personally.

(513-732-6800)

2. Andy Dennison -- an attorney who can locate Charles Clendenon, a pipefitter who left Zimmer during the spring of 1980 and wants to speak with NRC investigators. I spoke with Mr. Dennison only, who approached me on Mr. Clendenon's behalf.

3. Dr. David Fankhauser -- a geneticist at University of Cincinnati-claremont who spoke with boilermaker Donald O'Daniel. O'Daniel has disappeared. Before he dropped out of sight, he related to Fankhauser how the concrete and lining plate of the suppression pool are defective. The utility drilled holes throughout the concrete in a futile repair effort. The honeycombing has weakened the structure. In the same process, the utility repairs broke the reinforcement bar that provides strength for the concrete. The new lining plates have fallen off on occasion and are bowed. O'Daniel described how the NRC inspector missed the flaw when workers made cosmetic repairs and piled other materials around

area where the plates had fallen out. Since O'Daniel is out of sight, Fankhauser is the only detailed source for the allegation. His notes are enclosed. Fankhauser's address is.

(W-Mon, Weds., Fri.)

4. Tawn Fichter and Lou Seiler,

Husband and wife
public interest law team. Have taken statements from numerous employees at the Zimmer plants who have voiced concerns, including Mr. Clyde Potter in the last week (witness #11). I spoke with Seiler.

5. Leslie Freeman An author doing a book on nuclear whistleblowers. Has spoken with numerous employees at the Zimmer plant, including a woman electrician who has disclosed problems. I have not reached Ms. Freeman, who was referred to me.

6. Vic Griffin

A former quality control engineer who resigned in 1976. He resigned after seeing damage to critical components which the utility refused to test subsequently. He disclosed his concerns to Gerry Phillips, who conducted a remarkably similar "investigation" as in the Applegate case. Griffin then resigned, knowing his position at the plant would be untenable. He emphasizes that, due to a quality control system that ignores basic tenets of normal industry practice, the plant may be full of faulty critical components with the same flaws he observed in several cases. I spoke with him over the telephone, and a memorandum on the discussion will be forwarded to your office.

7. Steve Harris

606-581-2533(W); 606-581-2535 (W after 5:00) A former security guard who resigned last fall. His allegations concern mismanagement and understaffing of the security force, as well as vulnerability to theft of uranium fuel stored at the plant. He also disclosed numerous black market activities, including a bookie operation being run out of the telephone at the desk for the security guards who watch over the uranium. His affidavit is enclosed. He insists upon strict confidentiality.

8. Ed Hofstadter

He was in charge of quality control for a supplier of cable trays to the plant, and is a lifelong welder. He disclosed faulty welds at critical junctures of the cable tray system, but NRC inspectors looked at the wrong welds. While they found flaws in these less significant welds, they missed the ones Hofstadter had revealed. His affidavit is enclosed.

9. Jeff Hyde

513-872-2651 (W until 6:00) 513-872-2357 (W after 6:00) A security officer at Zimmer for fourteen months. Much more detailed version of issues raised by Harris, particularly

weapons black market and times when enriched uranium was sitting outside plant totally unguarded. His affidavit is enclosed. He insists upon strict confidentiality.

10. Tom Martin,

A millwright for ten years who was laid off after reporting serious defects in control rods. His affidavit is enclosed. I spoke with him ~~since~~ my return. A memorandum on the discussion is forthcoming.

11. Clyde Potter. Can be reached through Tawn Fichter. He was fired from his job as a millwright at Zimmer after an argument about his doing the work for another employee named Mad Dog who was selling guns at the plant. I have not spoken with Mr. Potter yet.

12. Gorman Reynolds -- a millwright for six years and a foreman at Zimmer who was laid off shortly after reporting metal shavings loose in the control rods. He is afraid they could clog critical systems during an emergency. I have enclosed his earlier affidavit but not spoken with him personally. He can be reached through Tom Martin.

13. Bill Ross 513-732-7249 (W), Investigative Supervisor, Claremont County Welfare Department, c/o Claremont County Service Center, St. Rte. 222, Batavia, Ohio 45103. Another former security officer who can amplify on charges made by Harris and Hyde. He wants to talk with NRC investigators but will only do so under subpoena due to fears of retaliation on the job. I have not spoken with Mr. Ross. Mr. Applegate referred him and has had several conversations with him.

14. John Wolliver 513-732-2422 (W), An attorney with information on false entries in the books at Zimmer. Dr. Fankhauser suggested you contact Wolliver, whom I have not spoken with.

AFFIDAVIT

My name is Jeffrey J. Hyde. From August 7, 1979 until October 1980 I was employed as a security officer at the William H. Zimmer nuclear power plant in Moscow, Ohio. The plant is being constructed by Kaiser Engineering and is owned by Cincinnati, Gas and Electric. I worked for Yoh Security of 1616 Market Street, Philadelphia, Pennsylvania. This affidavit concerns numerous serious problems I was aware existed at Zimmer, including breaches of security for over \$40 million dollars worth of nuclear fuel; employees at the plant who were drunk during working hours; and thriving black market businesses that included hot weapons, belt buckles, prostitution and a bookie operation.

Before I came to Zimmer I had worked as a member of the 164th Military Police in Miesau, West Germany. My job was in physical security guarding classified items. After receiving a medical discharge for arthritis, I was hired in August 1979 by Yoh. I was the first security officer hired by Yoh for the Zimmer contract.

My first experience with problems at the plant began around 1:35 A.M. in mid-August, after receipt of the first uranium dioxide 235 nuclear fuel shipment at Zimmer. I read the name of the fuel from the packing slip. It had been trucked in from General Electric's plant in Wilmington, North Carolina. I heard through the grapevine that CG&E had obtained permission to have the fuel delivered early, in order to avoid paying additional storage charges to General Electric. It arrived at night to avoid anti-nuclear demonstrators.

When the fuel arrived, Mr. Fred Lautenslager, CG&E's security supervisor for the site, called myself and the other officer on duty, John Benjamin. He told us to have one person go downstairs to the loading area and watch the fuel, while the other man stayed at the seventh, or reactor, floor. Fred gave John a weapon and told him to stand outside guarding the fuel until the morning shift arrived at 7:00, around five hours later.

For around the next 20 days we received shipments. After the first shipment, the trucks arrived at all hours, including the afternoon. During that period the loading dock was full on

about 12 occasions. In those instances, the truckers would just unload the fuel outside the railroad tracks, rope off the crates, and put up warning signs. I thought it was curious that the warning signs were radiation warnings, but the fuel just sat out in the open. Then the security officers would take turns guarding the crates.

The other security officers and I felt extremely uneasy about having just one, or at most three, officers guarding the fuel. The security equipment, such as closed-circuit TV and the E field on the fence designed to detect movement, were not yet functional. After having worked in Germany, I was familiar with terrorism. I knew that even the most sophisticated systems had been defeated by groups of nine to twelve people. But we were expected to guard these shipments by, to paraphrase the CG&E security manual, placing our bodies "between the adversary and the fuel." We were only armed with .38 caliber pistols that carried five rounds at a time. As a result, in the event of an attack, even at full strength all three potential guards would only have 15 rounds to defend the plant's fuel.

Further, although we were carrying the weapons, none of us qualified to have .38's until a May 1980 test. The utility might respond that we had prior military experience, but I had never carried a .38 before in my life. In the Army I used other weapons.

One of the problems that concerned me the most is that the fuel sometimes was totally unguarded. This occurred because no officer was required when maintenance moved the fuel to the seventh floor. When their shift was over before fuel was all moved, maintenance would just quit and call up to the security officers. They had been working twelve hour shifts, and on at least two occasions that I was involved with, they left before I came down to watch the fuel. One of those occasions the fuel was totally unguarded for around ten minutes. Since there was no window by the seventh floor access point, we couldn't even look outside to see if any intruders were approaching.

At the time, I just considered these security breaches as another broken rule. In retrospect, I am upset and fearful about such a lax practice. I wonder just how widespread this type of sloppiness still is. Under these conditions, I couldn't state that no fuel was ever diverted, although I am not personally aware of any thefts.

Although the fuel was all delivered in 20 days, the security breaches did not stop at that point. There were numerous small incidents that irritated me. For example, Mr. Lautenslager did not obey his own rules on proper identification before gaining access to controlled areas where the reactor vessel was located. I was not used to this kind of game-playing in the Army.

On one occasion during the late summer of 1980, our supervisor at the time, Nick White, left his gun in the unlocked file cabinet at the security office. The office was locked but could be opened easily with a credit card, because the magnetic locking device was not yet in place. This was a direct breach of the rules, which called for automatic dismissal of all involved parties whenever an officer relinquished his weapon to other than authorized personnel. A file cabinet does not qualify as authorized personnel. I wrote up an incident report, but Lautenslager said not to worry about it.

Although practices like mismanagement and cost-cutting don't qualify as security breaches, they still endanger the security of the nuclear fuel. For example, we were all overworked. I routinely put in twelve hour days, seven days per week. With an 84 hour week, you soon become a vegetable. You're physically there but no good to anyone. I couldn't pass up the work, because I needed the money for my wife and two children. The paycheck was the only good thing about it. Once I even had to work a 24 hour shift straight through, although we were authorized to take naps.

There were never more than ten guards, which left us badly understaffed. Many nights there were only two of us on duty. Since frequently one of us would be out patrolling the perimeter, when any immediate problem arose, the other man would have to break

the rules by leaving the seventh floor access point. We discussed how with only two officers on duty we would be caught in a dilemma of deserting our partner or our post, if the man on perimeter duty radioed in an emergency call for help.

We only had direct supervision about 5% of the time. There was a "lead man" named [redacted] but he did paperwork rather than overseeing our work. He wasn't much good to anyone, because he had a drinking problem and came to work shit-faced after awhile.

[redacted] practice was not unique at Zimmer. The construction crews, including the foremen, frequently were drunk on the job. I would see them sitting out drinking in the parking lot at 7 A.M. Employees brought in six packs of beer in their lunch boxes and drank very powerful moonshine liquor at the plant. In fact, for \$10 you could buy a mason jar filled with moonshine.

The plant was full of illegal black market operations, including gambling and lotteries of all sorts. For instance, a pyramid game similar to a chain letter was quite popular. Employees paid \$100 at a time to join the game. I did not challenge the pyramid game or the other illegal schemes, because they were far too common. It was understood at the plant that anyone with sense would follow the strict "No Questions Asked" policy about these activities at Zimmer. All of the schemes were in existence throughout my employment at the plant.

Perhaps the most chilling business involved the raffle of hot guns. The prizes included handguns, shot-guns and high-powered rifles. I personally saw .357 Colt handguns, 12 gauge Remington shotguns, and 30-6 deer rifles. I am sure a person could buy any weapon desired. The deer rifles use 7.62 millimeter bullets, the same as the Army uses for machine guns. The pistols were so commonly raffled that it was routine. The weapons came complete with ammunition. To get a weapon a worker would buy a raffle ticket from other unidentified employees. The prices ranged from \$2 for a pistol ticket to \$10 for a deer rifle ticket. There were up to 100 raffle tickets sold for each weapon.

Another frequent activity involved placing horseracing bets over the telephone at the seventh floor security desk. A Kaiser electrician named [redacted] of Amerlia, Ohio ran the bookie operation. [redacted] nickname at the plant was "Shitsy." We joked that Shitsy had to be connected with the Mafia, because he bragged that he could place a bet at any track in the country.

During my entire time at Zimmer, [redacted] bookie business followed a similar pattern. He would use the seventh floor telephone in the morning to get the scratches. Around seven or eight employees would come around lunch, each representing a section of the plant such as the Instrumentation and Control employees. Shitsy then would conclude his business in the afternoon, using the seventh floor phone again to place the bets and learn the race results.

This really wasn't much of a secret at Zimmer. In fact, the operation was so blatant that one day an employee wrote out \$2 and \$5 on paper and taped the signs on the table as a joke, analogous to the betting windows at the track.

I know that management was aware of the practice, because I told Lautenslager about it in September 1979. But nothing was done. Shitsy's foreman yelled at him about the practice sometimes but didn't make him stop. The practice made some of us sick, because Weber was receiving a \$26 per hour salary to place bets.

There were other black market operations at the plant. For example, the pipefitters made belt buckles that were so beautiful it was hard to believe. You could buy a belt buckle directly for about \$25, or spend \$1 on a raffle ticket. They sold 10-20 belt buckles daily throughout my time of employment.

The only raffle operation I heard about but did not see directly involved prostitutes. Other employees told me that the winners would receive a Fifth of liquor and a whore for a whole Friday night session.

During the summer of 1980 the security officers voted to unionize. Apparently Yoh lost the security contract at Zimmer as a result. Lautenslager said that our union vote was a "major

and contributory" factor in CG&E's decision to change security firms. That fall I gave a statement to an investigator from the National Labor Relations Board. Despite promises to the *check??* contrary, I never received a copy of my statement or heard from the NLRB again.

I am providing this affidavit out of a sense of obligation to the public. Previously I was afraid of retaliation on the job, so I waited until obtaining new employment on December 8 at Good Samaritan hospital and my new supervisor's permission to speak out. After another former Zimmer security officer contacted Tom Applegate, we saw an avenue for disclosure. After the initial contact, Mr. Applegate was so persistent that I felt he deserved my cooperation by giving this statement to his representative from the Government Accountability Project.

I swear that the above statement is true, accurate and complete to the best of my knowledge and belief.

Jeffrey J. Hyde
Jeffrey J. Hyde

Sworn to, *Allan E. Taylor*

Notary, This Day June 31st 1981
C. Comm. Expires Hawk 10th 1982

AFFIDAVIT

My name is Stephen D. Harris. From March 1, 1980 until mid-October 1980 I was employed by Yoh Security, Inc. of Philadelphia, Pennsylvania as a security officer at the William H. Zimmer nuclear power station in Moscow, Ohio. The plant is being constructed by the Kaiser Engineering Corporation, and is owned by Cincinnati Gas and Electric ("CG&E"). In October I quit my job in disgust, due to lack of cooperation and dishonesty by management on security problems. Soon after, Yoh lost the CG&E contract. This affidavit concerns an illegal bookie business being run out of the seventh floor station telephone, the access point for nuclear fuel at Zimmer; other breaches of security that could lead to loss or theft of nuclear fuel; and a lottery of belt buckles and prostitutes.

Yoh was hired under NRC standards to protect the building perimeter and internal security. My own background included demolition teams on the 82nd Airborne in the U.S. Army. Although my paychecks came from Yoh, I was hired directly by CG&E. They took me because I knew how to use a weapon. I had already told Fred Lautenslager, the CG&E security site supervisor, that I had been busted for pot in the service. He was unconcerned.

My duties were to protect the physical security of the plant, along with nine other security officers. We were supposed to monitor traffic, screen all visitors who wanted access to restricted areas, secure the perimeter and patrol the sections of the plant to insure that even plant personnel stayed in the areas they were permitted. The technical description is that we were responsible for personnel and material accountability, and physical security of the plant. This means that anyone who wanted access to nuclear fuel at Zimmer had to get past our station on the seventh floor.

When I arrived in March, I quickly saw that the security program was understaffed, mismanaged and in general ineffective. For example, contrary to standard operating procedure, with ten people we had to desert our normal work whenever a real problem arose. Sometimes we worked from 24-48 hours straight. Understandably, we would become groggy and hungry. For weeks at a time, we had no supervisor to oversee our work.

About a week after I started work, I came across a Kaiser Engineering employee named [redacted] who was taking bets on horse races. He placed the bets from the seventh floor telephone on the security desk, a phone only supposed to be used in emergencies. [redacted] nickname at the plant was "Shitsy." He generally took his bets during lunch.

gambling operation was common knowledge at the plant. He continued his bookie scheme at least until the day I left. From a half dozen to a dozen employees placed bets on a daily basis. I was especially concerned, because the people placing bets were not authorized to be on the seventh floor. But there were just too many people involved to control.

After about a month, I asked _____ if he was a bookie and he said yes. I told him I knew he couldn't say who his contacts were, but he said he was hooked up with "all of them." I didn't go to the police immediately, because it had been going on so long and I didn't want to get my ass fried or shot off.

The second issue I want to discuss concerns the perimeter security. There were only two, or occasionally three, security officers to patrol 66 acres. As a result, intruders could easily get past the perimeter. The gate security guards from W and W Security were supposed to be a secondary check. But that company, which was unlicensed at the time and run by a man named Knobby Ward, consisted of a bunch of clowns. I caught them sleeping on the turbine floor and was disgusted that they routinely let in pickup trucks filled with "crews" that may or may not have been authorized. Routinely, from 5 PM to Midnight there was no one at the gate. After the plant received a bomb threat, things were supposed to tighten up. But it still was hit or miss whether a guard would be on duty. People were walking in and out of the plant uncontrolled.

On one occasion around August I came across a fake plastic explosive apparently left in the plant as a joke. I learned from other security officers about similar "jokes." I wrote up the incident, but nothing was ever done.

When I told Lautenslager about security breaches, he would tell me to go to my lead supervisor when one existed, such as _____ or later Nick White. But my supervisors replied that it was CG&E's problem. They all just passed the buck. In all, I wrote up dozens of security infractions. I never received any response.

The third issue concerns lotteries at the plant. The "prize" that I was propositioned for was belt buckles constructed out of stainless steel stolen from the plant. I also knew through the grapevine that sessions with hookers were raffled off. The raffle tickets were sold on the elevators at a dollar a throw by pipefitters and electricians. There were at least 50 tickets in each lottery book. Although I don't know how many books were used up at a time, the propositions occurred once a week.

In December I decided to come forward after I heard Tom Applegate on a radio interview. I decided that if Applegate would stick his neck out to clean up the mess at Zimmer, I would also. This was the first nuclear power plant I had worked at, and it was nothing like what I had expected or read about in trade magazines. With the state of the security system at the plant, it was vulnerable to theft from boat, air or land. The

microwave screen and cameras theoretically existing in addition to a fence still hadn't been hooked up when I left in October. All I know is that for any people who want to steal nuclear fuel, Zimmer is an easy target.

I swear that the above statement is true, accurate and complete to the best of my knowledge.

STEPHEN D. HARRIS

Stephen D. Harris

Sworn this date Jan 31st 1981

Allen E. Tappert Notary Public

Comm. Ex. No. 16th 1982

AFFIDAVIT

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

Comes now Edwin P. Hofstadter, who, having been duly cautioned and sworn, deposes and says as follows:

My name is Edwin P. Hofstadter. For 5 1/2 years, from 1973 - 1978, I was employed by Husky Products, Incorporated, as Manager of Industrial Engineering. My responsibilities covered the tooling/equipment and the processes used in the manufacture of cable trays for industrial applications. I was dismissed from my position in August, 1978 after I dissented against our company's continued employment of untrained, unqualified welders to prepare cable trays at nuclear power plants. This Affidavit concerns the continued use of key cable trays at the Zimmer Nuclear Power Plant that are overloaded and compromised by faulty welds.

I first went to the Zimmer Plant during the spring of 1978. Husky had built the cable trays that hold masses of electrical cables at the plant. These cable trays carry all the control cables for the plant. The cables come from the control room and carry all the electricity for the plant, including the safety systems. The trays are essential to protect and isolate these cables.

When I went to Zimmer I was instructed to develop a fire protection plan for the cable trays. Unbeknownst to me at the time, Zimmer had been directed by the NRC to construct a fire protection system. The cable trays were in stacks of three on top of each other, the same as at the Brown's Ferry plant in Alabama, where a nearly disastrous fire occurred. The NRC had told Cincinnati Gas and Electric, ("CG&E") the utility which owns Zimmer, to learn from the Brown's Ferry mistakes. CG&E failed to prepare an alternate design to avoid stacking, but the utility did request Husky to develop a fire protection system for the "Brown's Ferry design" that was installed at Zimmer despite the NRC warning. Instead, CG&E had developed a plan to cover each tray with a fire protection "blanket" constructed from the same material used to protect missile nose cones from heat on re-entry.

When I arrived, I was surprised to find that the trays were loaded to the top with cables. Professional standards forbid trays from being loaded to more than 60% of their depth. Otherwise, the heat generated

by the cables could cause fires. I was appalled that all the trays in two rooms that I inspected were loaded to the top.

I was inspecting cable spreading rooms, above the reactor containment area. The cables traveled through openings in the wall down several flights into the containment area. They were resting on trays that switched from horizontal to vertical directions in order to travel through the plant down to the containment area. The different trays were connected by vertical fittings produced in a three piece construction, using hand or manual welds to join the three pieces. I was suspicious that these welds may have been faulty, because I had previously complained that our Husky welders were inadequately trained. I also knew that even the trained welders were using the speeded-up "incentive system" for commercial welds, rather than the slower, safer system required by the American Society of Mechanical Engineers for nuclear plants. The speeded-up incentive process produces welds with relatively poor fusion, resulting in little strength. That's what happens when you go too fast, you don't get a strong enough weld for a nuclear power plant. As a result, I was particularly worried at Zimmer when I saw that the trays were overloaded.

The questionable manual welds are at a key juncture, because they hold all the weight of the cables that travel from the top of the plant down into the containment area where they switch to a horizontal direction and spread the weight out again. In the event of a weld failure at a juncture, the cables would fall and possibly have their insulation cut off due to the sharp edges where the tray breaks. At a minimum, there would be an electrical short. More likely, the result would be man-made lightning -- an impressive, but disastrous fireball. With the primary and two backup systems stacked on top of each other as at Brown's Ferry, any short could shut down the electrical circuits for the entire plant.

I discussed my concerns with my supervisor at Husky, who agreed to set up a training program for our welders. I wanted to be sure that these key manual welds would be reliable for all our future jobs. But the company permitted employees to take their qualifications tests as many times as needed until they passed once. For example, one employee

took the test 60 times before he passed and was "certified" by Husky as qualified. The normal procedure when a man is having trouble passing the test even once is to require additional training, practice and experience before attempting the test again. Husky ignored this practical approach.

I refused to quietly accept my company's compromises in the certification process. As a result, I was discharged from my position. On August 2, I had told a fellow employee that I was preparing to submit my concerns to the NRC. On August 4, I was discharged without warning after 5 1/2 years service. Although my record was unblemished and I had received steady raises the personnel director gave me 15 minutes to clean out my desk and leave.

On August 18, 1978, I disclosed my criticisms in a letter to NRC Chairman Anders. (Attached as Exhibit 1). Later, at NRC hearings in the summer of 1979, I submitted an affidavit describing the problem. (Attached as Exhibit 2). Significantly, similar criticisms to my own had been voiced as early as October 30, 1974 by Mr. Lee Spievack, President of Technichron, Inc. School of Welding. (Attached as Exhibit 3). Husky had requested Mr. Spievack's opinion as how to improve our personnel qualifications. I have attached an overall chronological summary of events as Exhibit 4). My allegations were also supported in a 1979 affidavit offered by Mr. Donald Blanch, an electrician at Zimmer. (Attached as Exhibit 5). Mr. Blanch later told local attorney Tawn Fichter that CG&E threatened to blacklist him if he spoke out. As a result, he stopped criticizing the utility and publicly "changed his mind".

In the early fall of 1978, NRC inspectors came to investigate my charges. Eventually, the Commission found several faulty welds in the cable trays. The NRC report is attached as Exhibit 6. Unfortunately, the inspectors missed the point of my charges. Incredibly they looked at the machine-made resistance welds on the horizontal trays. These welds are not significant, because they carry very little weight. Their basic function is to keep the tray from spreading. My disclosure had questioned the manual welds on the vertical trays, critical

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[Faint handwritten notes, possibly bleed-through from the reverse side.]

But I refuse to be intimidated into ignoring the obvious. I know that these dangerous shortcuts can be corrected. Since my dismissal, I have done consulting work with about half a dozen firms that supply material for nuclear plants. Unlike Husky, every company produced excellent welded parts under sound quality control systems. Similarly, I know the NRC could do better. At the Clinton Plant in Illinois, the Commission refused to allow Husky cable trays in the containment area, even though the trays at Clinton had a lower proportion of manual welds than at Zimmer. I remain completely willing to speak with the new NRC investigators who are supposed to pursue Mr. Tom Applegate's charges about Zimmer. This time I hope they do their job.

*was Clinton
Hofstadter
Zimmer
Tom Applegate
It's why*

Edwin P. Hofstadter
EDWIN P. HOFSTADTER

Sworn to and subscribed in my presence this 29th day of January, 1981.

Karen D. Northcutt

KAREN D. NORTHCUTT
Notary Public, State of Ohio
My Commission Expires Jan. 22, 1985

AFFIDAVIT

OF

THOMAS DEAN MARTIN

STATE OF OHIO)
) SS
COUNTY OF CLERMONT)

I, Thomas Dean Martin, residing at
age 28, hereby state that from May 1978 to
September 1978 I worked for Reactor Control Inc. as a Millwright,
inspecting control rods on the site of the Zimmer nuclear
power station at Moscow, Ohio and that I am a member of Local
1454 of the Brotherhood of Millwrights and Joiners and have
been employed as a Millwright for six years and that I have
personal knowledge as to the facts hereinafter related.

My crew, consisting of 3 journeyman millwrights and a general
foreman found that approximately 75% of the reactor control rod
blades exceeded the .280 " (Two hundred and eighty thousandths
of an inch) gauge specification. Because of this fact we recrated
these defective rods to send them back to the manufacturer, General
Electric Company. However, after recrating the rods, my supervisor
at Reactor Control, Inc., William Fowee, instructed us to put a
clamp on the rods and reinspect them. We followed these instructions,
and while the clamps were on the rods they met the .280" specification.
After taking the clamp off, however, each rod returned to its original
size, which did not meet the .280" specification. A number of the
rods which I inspected measured .300" or more when the clamps had
been removed. The control rods are made of thin gauge metal, with

numerous holes. When I expressed my concern about the defective control rods, Bud Crane, a supervisor at R.C.I. told me that when the control rods were put in the reactor vessel, clamping would not be necessary because water pressure would hold the rods to the proper specification. I asked him to explain how this would be possible when there were so many holes in the rods. I thought that the water would circulate both inside and outside of the rods, thus equalizing the water pressure, and not allowing the water pressure to push in the sides of the rods. No one could give me an answer.

This was not the only problem which I encountered at the Zimmer site. We had inspected approximately half of the reactor control rods before R.C.I. provided us with a rough surface gauge for inspecting the seals on the ends of the control rods. Therefore, half of the control rod seals were not inspected at all for roughness. The gauge with which we inspected the remaining control rod seals was made of metal with different degrees of roughness. I compared the roughness of the gauge with the roughness of the seals! surfaces. Of the seals we inspected I did not find any as smooth as the specifications called for. When I asked an R.C.I. inspector about the discrepancy between the seals and the gauge, he asked me if I had a calibrated finger. I asked him, "If I'm just supposed to look at the seal instead of comparing it with the gauge, why hadn't they just given me a picture of the seal, instead of the rough surface gauge. I got no answer. I then informed Scott Swain, a C.G. & E. engineer on the project about the defective control rods and

seals. The next day my general foreman, William Fowee, got our crew together and told us, "Be quiet about the problems at the plant." Within a week my entire crew with the exception of the general foreman was laid off, although our work was not complete, and there had been no complaints as to the quality of the crew's work. Afterwards, a new crew was hired to complete our job.

7 8 7
Date

Thomas Dean Martin
Thomas Dean Martin

Sworn to and subscribed before me this 28th day of Apr, 1979.

Shirley Fahrnbach
Notary Public

SHIRLEY FAHRNBACH
Notary Public, Clermont County, Ohio
My Commission Expires Oct. 15, 1979

AFFIDAVIT
OF
GORMAN L. REYNOLDS

STATE OF OHIO }
COUNTY OF CLERMONT } SS

I, Gorman L. Reynolds, aged 29, residing at _____
hereby state that I am a member of Millwright
Local 1454; that I have been a journeyman Millwright for six years;
that I worked for Reactor Control Inc. as Millwright general foreman at
the Zimmer nuclear power station, Moscow, Ohio from October, 1978 to
February, 1979; and that I have personal knowledge of the facts
hereinafter related:

While working for Reactor Control Inc. (R.C.I.), my crew was required
to clean metal shavings from control rod blades. These shavings were
left by the manufacturer. We first took old cloths wrapped with a
heavy gray tape and beat the sides of the blades to remove these shavings.
We then ran a magnet along them followed by a machine shop vacuum cleaner
and finally wiped them down with an acetone solution. Quality control
inspectors employed by R.C.I. then ran a spot check on the blade con-
formity with a "go-no go gauge". Only about one third of the blades
were checked.

In February, R.C.I. required my crew to do grinding on all the
control rods (at the bottom of the blades) to remove an over-sized weld.
Small metal fragments from the grinding went into the control rod blades
by way of small holes running the length of them. When I informed R.C.I.
engineers of this I was told that these fragments could clog the rods
and to wipe them down with an acetone solution. I then told my super-

-2-

visors that wiping with acetone alone did not get the shavings out. (The proper procedure for removing shavings was the procedure we initially used to remove those left by the manufacturer.) They inspected the rods and passed them anyway.

When we first started the cleaning after grinding, H. I. Crane, project manager for R.C.I., told me the job would last two weeks; it lasted two days. We were rushed through this job and it is to my knowledge that metal shavings still remain in the control rod blades. I saw them; reported them and R.C.I. passed inspection on them anyway.

Gorman L. Reynolds
Gorman L. Reynolds

The foregoing affidavit was sworn to and subscribed before me by Gorman L. Reynolds this 21 day of May, 1979.

Jawn F.ichter
Notary Public

JAWN FICHTER, Attorney at Law
NOTARY PUBLIC, STATE OF OHIO
My Comm. Expires 12/31/80
Not. Sec. 147.04 O.R.C.

AFFIDAVIT
OF
ROBERT ANDERSON

STATE OF OHIO)
) ss
COUNTY OF CLERMONT)

I, Robert Anderson, aged 35, residing at [redacted] hereby state that I have been a journeyman Ironworker (J.I.W.) for 10 (ten) years; that I am a member of Iron Workers Local 44; that I worked at the site of the Zimmer nuclear power station at Moscow, Ohio for approximately 2 years; that I worked for the R. V. Hardy Co. as an ironworker installing and pressure checking watertight doors and door frames at the Zimmer site for the months of February and March, 1978; and that I have personal knowledge of the facts hereinafter related:

I hereby state that after installing 12 to 15 door frames and doors I personally pressure tested 10 of the doors which I installed at 20 p.s.i.. While none of the doors or door frames leaked, all 10 (ten) of the door units leaked between the concrete and the steel angle which was imbedded into the concrete so that the door frame could be hung. Therefore, none of these units would hold the test pressure of 20 p.s.i.. Five of the leaking units were located in the pump house at the plant, and the remaining five units were located in the reactor building beneath the reactor core.


ROBERT ANDERSON

2.

The foregoing affidavit was sworn to and subscribed
before me by Robert Anderson this 22 day of May, 1979.

Laura Fichter
Notary Public

LAURA FICHTER, Attorney at Law
100 N. 1st St., Suite 200
St. Paul, MN 55101
612-222-1400

*O'Daniel concluded that plant should not be licensed, said his supervisor agreed.

25 January 1981

Zimmer Suppression Pool Problems.

As related by Donald O'Daniel, Zimmer boilermaker (6 yr Navy man, some nuclear experience), to Dr. Frankhauser. (4/17/80). GE Mark II, new untested design, Zimmer is lead plant.

SIG-
VASTLY
UNDERESTIMATE
PRESSURE.

NRC and Mark II owners group have longstanding differences on adequacy of Mark II design, particularly as related to "dynamic loads". SRSS vs ABS method to compute loads

Design changes in lining of suppression pool (SP) were ordered, original plate being about $\frac{1}{2}$ " thick, new plate being 2 - 3" thick. Backing for plate is 4 ft thick concrete wall, with reinforcing steel bar. Strength and integrity of wall important to safety of plant.

Extensive remodeling resulted, cutting out old plate, drilling holes in concrete to grout in studs, bolting ~~plate~~ new heavy plate up, welding in, using filler plate along edges. Reinforcing pool bottom and strategic spots on wall. Quilt like result.

BLUEPRINTS
INACCURATE

1st problem: drill pilot holes to insure no "rebar" according to blueprints. Kept hitting rebar, stop, drill in new location, hit rebar again, several times. CG&E finally said to drill in original hole, go through rebar. Such holes were 3-4" in diameter. The combination of pilot holes and stud holes through rebar produced honey-combed concrete wall, possibly compromising integrity of containment. Total of several hundred holes drilled.

SIG: GAS CAN ESCAPE
CONTAIN. THRU
HONEYCOMB

Problems with welding of new stainless amour plate: Occasional switching between welding rods 308 and 309 (for use on inside vs outside of plate. Tools used on concrete used also on plate, contaminating plate, weakening welds. Contamination of SP floor due to heavy wrecking and construction. Tremendous heat build up due to welding new heavy plate in place. Filler plate up to 6' long used.

Welding heat build-up caused cracking and deterioration of underlying concrete, as shown in X-rays of welds. Many "Stop-work-orders" went up on ^{new} plates, yellow, white and red, according to severity of defects. Reason for order written on labels: "concrete cracking behind plate." Total of about 130 new plates were added.

HIS OPINION -
SOME (4+) NEW
PLATES DEFECTIVE.

One plate was cut out for inspection, high up on the wall of the SP. The 4' x 6' section fell out and to the floor having pulled off the concrete wall a large piece of concrete up to 4 $\frac{1}{2}$ inches thick. A clear demonstration of the deterioration in the concrete containment structure. Attributed to intense heat from welding. Shortly after fall, NRC inspector toured SP. Workers hastily piled air hoses, equipment on top of fallen section, chiseled edges of hole smooth to appear as though the hole had been made purposefully. Inspector did not even notice.

Visual inspection of SP liner currently shows bowing of wall, indicating that the liner has pulled away from supporting wall.

SC 358... EXHIBIT
20 Aquilla
Florence, Kentucky 41042

August 18, 1973

Nuclear Regulatory Commission
Washington, D. C. 20555

Attention: Mr. William A. Anders, Chairman

Dear Mr. Anders:

I am writing this as a former employee of Husky Products Inc. of Florence, Kentucky to report serious and deliberate non-conformance to 10 CFR 50 Nuclear Requirements and Engineering Specifications based on the above requirements. To make it even worse they sent out notarized Certificates of Compliance with the full knowledge they are false.

In May of this year I had occasion to visit the Zimmer Nuclear Containment area and to see the various control areas and in particular to see Husky cable trays in position and many filled with the cables.

Since this visit I have been disturbed by two aspects of Husky's non-conformance, particularly as they relate to the safe operation of this plant after completion of construction.

These two important aspects are as follows:

1. Use of inferior and weak material completely out of specifications.
2. Trays welded by incompetent welders with every type weld defect present in every tray assembly.

The following illustrates these two aspects in more detail. They are related to the Zimmer job specifically which was the original job with the 10 CFR 50 requirements. On this job flagrant and serious non-conformance occurred and with this as a pattern it has occurred on all subsequent jobs.

MATERIAL:

All tray is designed with a load capacity which included a safety factor. The tensile strength of the side rails largely determines this capacity. On the Zimmer job the tensile strength of the side rail material was to be in excess of 35,000 pounds. Husky received and tested material as low as 18,000 pounds and a considerable amount in the range of 20 to 23,000 pounds. Some was rejected, some accepted on the basis it would be used for fittings where strength is not as critical.



Instead the material was not kept separate and thus many very weak side rails were made up into long straight assemblies. After finding out that common mill steel varied so widely in tensile strength no more testing was done so that they could remain "unaware" of this condition. Incidentally some testing of T-6 aluminum was also performed and a wide range of tensile strength was also found. This was also ignored as above. What this adds up to is that Husky has built tray that will not carry the rated load even with safety factor included.

WELDING:

The Zimmer job was the first job requiring the use of Certified welders in order to insure good welds. Husky contracted with Glaisstone Laboratories of Cincinnati to set up a welder certification program. They did this and then tested all the welders. Without exception they failed the tests miserably. Husky then called in various welding Engineers and Mr. Spievack of Technicon School of Welding in Cincinnati who submitted a written report of findings. A copy of his report is attached. In general all the weld Engineers concurred with Mr. Spievack's report. Mr. Spievack was asked if he could or would train the welders. He refused, stating that it is very difficult, if not nearly impossible to untrain people first, then try to retrain, then it is to start fresh with a person having no prior welding knowledge or experience.

Husky then proceeded to work on their own in crash programs in which the welders finally welded one piece which would pass a bend test. This welder then became "Certified" by Husky. However., what is critically important is that nothing occurred to the quality of the production welds! In fact it remains to date in the same sad state as Mr. Spievack's findings dated October 30, 1974. Just a few weeks ago one welder was "tested" over 60 times before he finally made a test piece which was only marginally acceptable. Now he is a Husky "Certified" welder!

Starting in July and continuing this month a new type of non-conformance is presently in process on the Clinton job. Fittings are being Mig spot welded contrary to specific Engineering requirements. In addition Aluminum Bronze filler rod is being used with full knowledge that aluminum is not permitted in the containment area. Even worse the position of the spot is in such a manner the weld is less than 35% effective!

Substantiation of all these charges can be accomplished thru examination of Husky documents in relation to Material and to the Welders by the records, visual examination of the welds and by retesting the so called "Certified" welders by a competent Welding Engineer. Visual inspection of the Clinton fittings will substantiate the charges outlined.

Page 3.

What disturbs me even more than the actual incidents described is the fact so many top management people see nothing wrong in all these actions. So little real concern is shown to producing a truly quality product within the specifications. This should become even more particularly so when nuclear safety is directly involved.

Yours truly,

Edwin P. Hofstadter

Edwin P. Hofstadter

Distribution as follows:

Engineering Companies that may or may not be concerned.

Esasce

United Engineers and Constructors

Bechtel Corp.

Brown & Root

~~Esasce~~

Sargent & Lundy

Stone & Webster

Black & Veatch

This may not be complete, however to the best of my knowledge it is.

Government Agencies:

Nuclear Regulatory Commission

Congressional Joint Atomic Energy Committee

Private Group:

Public Interest Research Group

EXHIBIT 2

1. Edwin J. Kistner, of Mill, Florence, Kentucky, listed and is following the actions I have. I know age of and which date of life at the Zimmer nuclear plant.

As a way of background, I am 47 years of age with over 20 years experience in manufacturing engineering in many areas of manufacturing. For over 10 of these years I was at various supervisory levels and 10 of the years I was at management level.

For over 11 years at Bendix where we built Aircraft Fuel Control Systems, including Fuel Injection type, Hydraulic Pumps and Servo-Systems. I spent over 7 years at American Standard where we built Brass Plumbing Fittings and Diaphragms.

At Bendix and American Standard I worked very closely with good quality control programs. I both worked from the top down. Every employee positively knew that the company was going to leave the plant that was not right in every respect. At Bendix Lincoln Electric was involved. At American Standard customer satisfaction was involved.

At Hisky all of their quality control effort was merely window dressing on paper so that it could convince our customers and their Engineers that we had control of our product quality. In practice Hisky only complied if it didn't cost anything, with a lot of effort. The objective from the top to build any quality into our product. The only objective was to build the product at the lowest possible cost.

My position at Hisky for 5 1/2 years was Manager of Industrial Engineering. I was responsible for Manufacturing Methods and Labor Standards, Tooling and Equipment, Inventory Collection and procurement and maintenance of same.

The Zimmer job was Hisky's first nuclear job and the beginning of the phantom quality control program that for all practical purposes existed only on paper. One of the requirements on the Zimmer job was that the welding was to be in accordance to Section 1 of the AWS welding handbook using certified welders.

I made arrangements to have the welders tested by Gladstone Laboratories in order to obtain the certifications. Every welder failed his test miserably. When we examined the reasons for these failures we found that none of our welders had ever had any training in the area of "quality" welding. They only knew how to produce a production type of weld in high quantity. Hisky had an Incentive Program and the more welds the welders made in a shorter time, the more money they made. The real problem is that these welds lack fusion and have many other types of weld defects. Welds that lack fusion lack strength.

At this point, Hisky had a serious problem. They had the Zimmer order calling for quality welds made by certified welders. Hisky did not have even one welder that could make a quality weld much less pass the certification test. In order to complete the welders would have to be retrained and then retested and the weld process itself changed. The standards would have to be reduced as the welding would require more time. This would be very expensive, but it would be the right way.

Hisky decided to partially "crash" train the welders as needed to pass the certification test in some manner, but to continue with the production weld as is. But this proved extremely difficult. The end result was the entire Zimmer job was welded with welds unable to pass the certification tests. Even more important, the production weld process never changed. The end result being that all Zimmer welds were made with the same old weld process. These welds are of low quality, principally in that they lack fusion, which is the key to strength in a weld.

This problem has now been compounded in that CG&E has greatly overloaded these cable trays by installing more and more so that they can carry more cables. In addition the trays are stacked one on top of the other 3 high. One tray carries the main control cables, the other 2 carry the cables for the backup systems. On the Vertical Fittings of the cable trays because of their construction, they would carry the entire weight of all of the cables. These are the welds that are very likely to fail someday.

After the Browns Ferry fire where a similar 3 tier system was in use, a relatively small fire destroyed all control of the plant. The NRC advised CG&E to avoid this possibility, but CG&E did regard this advice.

Now, as this letter to the ITC has ordered CG&E to add fire protection to these trays. CG&E plans to use a Babcock & Wilcox product (Kerawool) to accomplish this. The NRC accepted a test that Babcock & Wilcox made in an improvised setup using natural gas for the flame. Any test made by the manufacturer of his own product under his parameters does not carry much validity. Yet the RC accepted it! This same material failed in Sandia Laboratories test which was a fully legitimate test using kerosene as the flammable material. In this test, I quote, "the Kerawool burnt like the wick of a kerosene lamp." Incidentally the NRC said Sandia Laboratories of New Mexico to devise the parameters and to have TL conduct it. Unbelievable!

There is one possible solution to all of this.

1. Use the present 3 tier system to carry the cables for backup system number 2. Pulling out the extra cables which will greatly reduce the load.
2. Install new wire and drop tray systems traveling completely different and separate routes from any other. This would greatly simplify the fire protection problem and the welds would be a square for this greatly reduced load. This would be expensive, but we have to ask this question. CAN WE AFFORD NOT TO?

EXHIBIT 3

Report of the Findings at
Husky Products Incorporated
on October 30, 1974

Submitted by: Lee Spirovack, President
Technichron Inc., School of Welding

It was generally found that the reason your company has had difficulty in certifying your welders is due to the fact that while some of your men are qualified welders, they suffer from the ills of an employee that is offering an incentive program.

In order for an employee of your company to meet his required production level, plus benefit by the incentive program it was found that their welding machines were set at maximum output allowable, which is just below the point of blowing holes in the parent metal. This condition creates improper welding methods, and instead of establishing good welding, you have a situation of blowing the metal together. These extreme amperage settings also make it necessary to use higher gas flow in order to control the arc. This has to be extremely costly to your company.

Because of the conditions that exist (welding machine settings and gas flows) it was observed that improper welding is a common occurrence at Husky Products. The welds are not structurally sound.

Aluminum Welding:

All the welds have craters and it was observed that most of these craters show the common condition known as "crater cracking". It was further observed that there were many welds that had both cracking conditions in the weld as well as the crater. These conditions are primarily caused by the extremely high amperages and gas coverage. Your welders are running extremely hot welds due to speed and thus you have rapid cooling conditions and cracking. The high gas flows (while costly) also causes rapid cooling and thus cracking.

Generally it was observed that the welders in your aluminum welding areas had good welding techniques however lack knowledge in setting up the proper welding conditions before welding.

These men lacked the following knowledge:

1. Setting the welding machine
2. Setting the proper gas flow
3. Holding the tungsten rather than pointing it
4. Controlling the weld to prevent craters
5. Cleaning the parent metal before welding

Steel Welding:

Four men were observed in the steel welding areas. One man had the knowledge of proper machine and gas flow settings however he lacked the welding technique. This man was one of your oldest welders. The other three men had very little knowledge about proper settings and one of the three lacked the proper welding technique. This man was your oldest employee in your welding department. Again it was apparent that all conditions existed to turn out maximum production.

As long as you have these conditions you will find that certifying welders is going to be extremely difficult. When observing several of the test coupons run by your welders it was found that the following conditions existed:

1. Crystallizations of the weld
2. Porosity
3. Penetration that exceeded 100%
4. Undercut
5. Weakening of parent metal in the heat affected zone

All the conditions are created directly by running too high of amperages, too high of gas flows, and dirty metal.

HUSKY—SEQUENCE OF EVENTS

October 20, 1978

EXHIBIT 84

All dates approximate, except termination and meeting with C. Duncan.

November 1977 -- R. Wilson, Husky President, died after a long drawn out but relentless bout with cancer.

Jan. 5, 1978 -- D. Ring new Husky president in talk to all employees announced his intention to talk to each employee personally for all the mutual benefits possible from such a talk.

Note. In response to Mr. Ring's promise to talk to everyone I prepared some suggestions to review with him. I also gathered some of the backup data on Husky's weak QC program and in particular the welding force. This is how I had some backup material I could take with me when I was left go with about 10 minutes notice.

Feb. 15, 1978 -- I. E. group temporarily moved from N. Wong to P. Banta.

March 15, 1978 -- Temporary transfer of I. E. made permanent.

April 1, 1978 -- P. Banta started daily morning meeting with R. Pratt, Dr. Dietrich and myself. He stated reasons for same being.

1. So that he would know scope of our work and would acquire better understanding of it.
2. He said, "Ed is up in years and will not be with us long and we all need to know as much as possible what we can learn from Ed."

After this first meeting and to clarify reason 2 above, I asked Fred about it. He said Mr. Ring wants a young aggressive team and that he (P. Banta) had to give Mr. Ring a timetable plan when he could manage the I. E. activity. Fred told me he would review this with me later. He led me to believe it was fairly long range and that I would remain in a consulting capacity.

May 1, 1978 -- Accompanied P. Banta on trip to Zimmer nuclear power station. I saw Husky cable trays completely filled with cables. (Trays usually are only half to three fourths full) Instead of a feeling of pride, I could think of only 2 things. Husky cheated on these trays in 2 ways that can greatly affect their capacity to carry such a load.

1. Use of weak, low tensile material intended to be used for fittings where strength is not critical. This material became mixed with the straight material, where strength is critical, and sent out this way.
2. Fittings made with bad welds when specifications called for Pressure Vessel quality welds.

On our drive home I told this to P. Banta and told him in detail how and why the Husky weld situation was so bad in so many ways.

May 15, 1978 -- P. Banta announced new Welder Qualification Program, which included retesting of previously tested welders. He asked my opinion and I said, "it looks good on paper, but I doubt that it will be completed." He wanted to know why. I said everytime something gets difficult, Husky takes the easy way out. He said this would not be the case this time.

June 15, 1978 — Weld Testing began. First two welders tested that were certified, failed their test. This meant they lost their certification. When I reported this to F. Banta, he told me to hold up on retesting other certified welders. Later, he came back and told me to destroy the paperwork on these two failed tests. I told him he would have to destroy this paper work himself, I would not do it. I then added that "here we are on another certification farce." This really made F. Banta angry.

July 20, 1978 — In talking with Alvin Lay (the outside welding instructor Emsky was using) who was continuing testing work on the remaining uncertified welders, he told me L. French finally passed his test. I asked what he meant and he said that he was tested over 60 times before he passed. I later informed F. Banta of this and he said this is OK, the man just needed more practice than some of the others. I told Fred this was ridiculous and again he became really angry.

Aug. 1, 1978 — Shop started welding Clinton Fittings disregarding special instructions. They used a prohibited process, unauthorized filler material and incorrect weld position. R. Pratt and myself got C. Duncan (QC Manager) out to get it stopped. Instead Duncan contacted F. Banta who was on vacation and who said it was OK. I told Duncan somebody should tell the NRC about all this and get it straightened out.

Aug. 4, 1978 — Called to R. Parkers office at 4:10 PM (Personnel Manager) and told to gather my stuff and leave in as short a time as possible. I was given a check thru Aug. 4 only plus my vacation check. I asked if severance allowance was included. Mr. Parker said, "No, we are calling this a layoff." I said, "then you might call me back." He said, "No, we called it layoff so you can get unemployment benefits."

Aug. 14, 1978 — I called C. Duncan to set up a luncheon meeting. I told him that for over 40 years I had always been loyal to all of my superiors and to the companies I had worked for. All my previous supervisors and companies acted in a responsible manner so that this loyalty never wavered. I told him that previously M. Wong and now F. Banta thru their actions in pushing me to do improper things against my better instincts, had now reached the point with the Clinton fittings decision and now the "layoff" where my loyalty to them and Emsky was completely terminated. I told him I was working on a letter to the NRC with 3 principal allegations as follows:

1. Weld certification fiasco and continual use of Emsky quality welds in lieu of specified Pressure Vessel Quality welds.
2. Material mixup problem on Zimmer job.
3. Present non-compliance situation on Clinton job.

I asked Duncan if he could think of any other alternate action. He thought for a long time and finally said, "You had better write the letter."

Sept. 1, or Sept. 8, — F. Banta called me at home and said, "Mr. Ring wants you in his office at 3:20 PM today." I asked, "What for?" F. Banta said, "Mr. Ring wants to discuss your letter to the NRC." I said, "I don't know what there would be for us to discuss at this time." F. Banta then said, "If you don't come Mr. Ring is going to turn this over to the Barndy Legal Department for fullest possible legal action against you. He wants to talk to you before doing this." I said, "I am not coming" and hung up. I left the house and while I was gone Mr. Ring's secretary called. My wife answered and the secretary said, Mr. Ring wants

to talk with Mr. Hefstadter. My wife told her I was gone and this ended the conversation.

October 25, 1978 — From Aug. 4 to present time all the resumes and interviews I have had have produced no response whatsoever at a time when companies are nearly fighting for people with my background. Age is a factor in some instances I am sure. Various Eshky department heads were very belittling of me in their newspaper interviews relative to the release of the NRC letter. I know this has had some affect.

Upon reflection, I feel that I was scheduled for separation sometime this year for age, but this was accelerated by my constant griping and complaining of Eshky's peer wolding in particular. When this reached a climax on the Clinton job, the are quickly fell.

2
(AFFIDAVIT (EXHIBIT 45

OF

DONALD BLANCH

I, Donald Blanch, aged 40, residing at []
herely state that I am writing this affidavit as a statement of moral obligation,
and that I have firsthand knowledge as to the following:

I have been a union electrician for over 20 years, and a member of Electrical Workers Union Local 212, Cincinnati, for said period. I have completed a 4 year apprenticeship program given at Ohio Mechanical Institute (OMI). I have worked at the Zimmer Nuclear Power Station at Moscow, Ohio for approximately 5 of the last 6 years in the following capacities: I was the foreman of 5 crews for Foxhill Electrical Electric, which is the General/Contractor of the Zimmer Construction Project. In this capacity I was the foreman of the Conduit Crew, and supervised the installation of conduit, seismic hangers, and cable trays, as well as the welding of seismic hangers. As foreman of Cable Pulling Crews I supervised the pulling of power, instrumentation, and control cables throughout the plant. As foreman of Termination Crews I supervised the termination of cables. I also was the foreman put in charge of training personnel to work on D.D.C. corrections, and taught termination classes to electricians at Zimmer.

I am presently employed as General Foreman for Westinghouse Electric Corp. at the Zimmer site. I have held this position for the past 9 months. In this capacity I am responsible for the installation of all turbine, generator, controls, reactor feed pump, and all other Westinghouse components, and the testing of same.

In the course of my work at the Zimmer site I have observed the following problems and/or possible problems:

1. As much as 80% of the cable trays throughout the plant are overloaded beyond National Electrical Code specifications of volume per tray. These trays are filled to as much as 150% of capacity in some cases, this requiring the addition of side plates to accommodate the excess cables. The addition of these side plates is merely

for cosmetic effect, and does not add to the capacity of the trays. This overloading will cause inductance (heat) which will cause breakdown of cables if the heat generated is of a sufficient level. Additionally, instrument malfunctions and fires are a direct possibility due to the overloading.

2. The Spreader Room is directly below the Control Room and contains all monitoring cables for the plant through main trays and conduit. In this room the cable trays

are overloaded, and some seismic hangers in the Spreader Room are of the Sargent and Lundy specification in that they are overloaded. Original fireproofing specifications cannot be met due to the doubling of the original cable amount, in the Spreader Room and throughout the plant.

3. Where cables penetrate a wall there is a "grid" penetration which specifications require be sealed for possible fire and contaminant control. Due to excessive cables, penetrating these walls, the original specified sealant cannot be installed throughout the plant. The overloading through the wall penetrations has caused cables to be cut in half at the point of the wall penetration, and similarly could have caused damage to the insulation on other cables in the plant.

4. Control devices are in many instances of very poor quality, and sometimes unreliable. Components for jobs such as this are sometimes ordered as much as 3 to 4 years ahead of installation. Many of this date have been discontinued for a more reliable component. For example, Power Drawers at supervisory locations, I.C. signal boxes, which measure vibration, eccentricity, and thermal bearing wear of reactor feed pumps; which have since been changed on newer installations to more reliable components.

5. The use of radio signal walkie-talkie, as used by C.G. & E. will cause I.C. losses, and other microamp high frequency monitoring devices to emit false signals.

6. There is a lack of coordination between 4 companies responsible for electrical testing in the plant: Multi-App, I.N.C., C.G. & E. S. Intermec, and Westinghouse Electric. In many instances circuits previously checked have mysteriously become

disconnected. As a result, I am unable to assure that the circuit condition after it is checked will remain the same.

7. Within the last year I observed redundant conduit systems installed on the same seismic hanger, in direct violation of specifications. I do not know whether this problem has been corrected to date. A large problem is that these are essential cables, monitored by Quality Control, and should have been yellow tagged before cable pulling was done. Such was not the case.

I am neither pro nor antinuclear. I believe at this time atomic power may be the most feasible method of generation. My only concern is that people of proper authority and with more intelligence than I take the time which has not been done in the past, to do a more thorough inspection for the safety of everyone concerned.

6-26-79
Date

Donald Blanch
Donald Blanch

Sworn to and subscribed in my presence this 26th day of June, 1979.

Levin-Lide
Notary Public

LEWIS STUBB, Attorney at Law
Notary Public - State of Ohio
My Commission Exp. 12-31-1980
B-10, Section 247.03 C.R.C.

EXH 16

NUCLEAR
OFFICE
799 ROOSEVELT
GLEN, ILLINOIS

UNITED
NUCLEAR REGULATORY
COMMISSION

The enclosed material is
sent to you in response
to your request.

DEC 21 1976

Docket No. 50-356

Cincinnati Gas and Electric
Company

ATTN: Mr. Earl A. Borgmann
Vice President Engineering
139 East 4th Street
Cincinnati, OH 45201



Gentlemen:

This refers to the investigation conducted by Messrs. J. L. Foster, I. L. Vandell and H. M. Wescott of this office on September 18-22 and 28-29, 1976, of activities at the Zimmer Unit 1 construction site, authorized by NRC Construction Permit No. CIPR-88, and to the discussion of our findings with you, Messrs. B. K. Culver and W. W. Schwiers and others of your staff at the conclusion of the investigation.

This investigation concerned allegations of inadequate materials and welding of cable trays, pans and fittings supplied to the Zimmer Unit 1 site. The enclosed copy of our investigation report identifies those areas examined during the investigation. Within these areas, the investigation consisted of a selective examination of procedures and representative records, observations, witnessing of tests, and interviews with personnel.

During this investigation, one of your activities appeared to be in noncompliance with NRC requirements, as described in the enclosed Appendix A.

This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office within thirty days of your receipt of this notice a written statement or explanation in reply, including for each item of noncompliance: (1) corrective action taken and the results achieved; (2) corrective action to be taken to avoid further noncompliance; and (3) the date when full compliance will be achieved.

9908-150615
PDR

Cincinnati Gas and
Electric Company

- 2 -

DEC 2

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter, the enclosures, and your response to this letter will be placed in the NRC's Public Document Room, except as follows. If the enclosures contain information that you or your contractors believe to be proprietary, you must apply in writing to this office, within twenty days of your receipt of this letter, to withhold such information from public disclosure. The application must include a full statement of the reasons for which the information is considered proprietary, and should be prepared so that proprietary information identified in the application is contained in an enclosure to the application.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

R. F. Heislman, Chief
Reactor Construction and
Engineering Support Branch

Enclosures:

1. Appendix A, Notice of Violation.
2. IE Investigation Rpt No. 50-358/78-21

cc w/encls:

J. R. Schott, Plant Superintendent
Central Files
Reproduction Unit NRC 20b
PDR
Local PDR
NSIC
TIC
U. Young, Parl., Power Siting
Commission

OFFICE	RIII	RIII	RIII	RIII	RIII	RIII
SURNAME	Wandel/Rik	Wescott	Hayes	Heislman	Paster	Korelius
DATE	12/20/78			12/20		

Appendix A

NOTICE OF VIOLATION

Cincinnati Gas and
Electric Company

Docket No. 50-354

Based on the results of a NRC investigation conducted on September 18-22, and 28-29, 1978, it appears that certain of your activities were not conducted in full compliance with NRC requirements as noted below. This item is a deficiency.

10 CFR 50, Appendix B, Criterion IX requires, in part, that "Measures shall be established to assure that special processes, including welding, . . . , are controlled and accomplished by qualified personnel using qualified procedures in accordance with applicable codes, standards, specifications, criteria, and other special requirements."

Paragraph 17.1.9.2 of the Quality Assurance Program documented in the ZPS-1 FSAR states, in part, "Special processes are accomplished and controlled by qualified personnel using qualified procedures in accordance with applicable codes,

Section IX of the ASME Code states that changes in essential variables to the welding procedure specification require requalification of the procedure and welder. Section IX further lists shielding gas and filler material size as essential variables.

1. Husky Products, Incorporated, Welding Procedure No. 2, QAP 107, dated October 18, 1974, Revision No. 01, specifies that welding grade carbon dioxide shielding gas and 0.035" diameter filler metal be used.

" Contrary to the above, the inspector determined by review of records that two (2) of the essential variables had been changed. For a period of approximately four (4) weeks in November and December 1974, the shielding gas mixture and the size of the filler material was changed without benefit of requalification of the procedure.
2. In addition, two welders had made several steel TIG weldments with neither a qualified welding procedure specification nor qualification of the welders.

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U.S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT

REGION 111

Report No. 50-358.78-21

Docket No. 50-358

License No. CYPK-84

Licensee: Cincinnati Gas and Electric Company
139 East 4th Street
Cincinnati, OH 45201

Facility Name: Wm H. Zimmer Nuclear Power Plant

Investigation At: Zimmer site, Moscow, Ohio and Husky Products, Inc.
Florence, Kentucky

Investigation Conducted: September 18-22, and 28-29, 1978

Investigator: J. L. Foster

Inspectors: T. L. Vandel

L. M. Wescott

Reviewed by: D. W. Hayes, Chief
Projects Section

C. E. Norelius
Assistant to the Director

Investigation Summary

Investigations on September 18-22 and September 28-29, 1978 (Report No. 50-358/78-21)

Areas Inspected: Review of cable trays, pans and fittings located at the Zimmer site and at the Husky Products, Inc. plant; review of activities at the Husky Products, Inc. plant; and observation of testing activity at independent test labs. The investigations involved 143 inspector-hours by three NRC inspectors.

Results: One item of noncompliance (a deficiency) was identified in the control of special processes (welding). Details, Section III.

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PDR

INTRODUCTION

The Zimmer Unit 1 nuclear power plant, licensed to the Cincinnati Gas and Electric Company, is under construction near Moscow, Ohio. Sargent and Lundy is the Architect-Engineering firm for the plant, which is being constructed by Kaiser Engineering. The facility will utilize a Boiling Water Reactor (BWR) designed by General Electric Company.

The Husky Products Division (Husky) of the Burndy Corporation has supplied electrical cable pans for the Zimmer plant. These cable pans are utilized to route both safety-related and nonsafety-related electrical cables.

REASON FOR INVESTIGATION

On August 31, 1978, a copy of a letter written by Individual "A", a former Husky employee, was received at the NRC Region III (RIII) office (Exhibit I). This letter expressed concerns relative to the quality of electrical cable pans produced by Husky for use in the Zimmer and Clinton nuclear power plants, and alleged the use of weak materials and improper welding in cable pan construction. An NRC investigation was initiated into these allegations.

SUMMARY OF FACTS

Individual "A" was contacted by RIII personnel on September 6, 1978, and his concerns were discussed in general. These concerns related to the use of low strength materials and improper welding as contained in the letter attached as Exhibit I.

During September 18-20, 1978, RIII inspector visually inspected electrical cable pans at the Zimmer site, and found the welding of the pans to be acceptable. Site personnel agreed to have samples of the cable pan materials tested for material strength, and to have sections of cable pan destructively tested to determine the strength of the welds. Cable pans to be tested were then selected at random (by NRC and Utility representatives).

Cable tray samples selected were tensile tested, with the tests witnessed by an RIII inspector. All of the samples tested were found to exceed the specified yield point (test results attached as Exhibit V).

Destructive testing of welds was performed on a sample of the cable pans at the Zimmer site, also witnessed by RIII personnel. These tests indicated that the welds were of acceptable strength and size according to American Welding Society criteria.

Individual "A" was interviewed by RIII personnel. He indicated that the use of low strength material was a one-time occurrence which took place during the manufacture of cable pans for the Zimmer plant. Individual "A" stated that a shipment of steel was found to be of low strength, and the decision was made to use the shipment for "fittings" (curved sections of cable pan) only, but the shipment was not properly segregated. The shipment was inadvertently used in the production of straight sections of cable pan, he indicated.

Individual "A" was critical of the manual welding performed by Husky welders, and the welding certification program conducted by Husky. He indicated that the Husky welders had difficulty in passing the certification tests, and welded differently during the test than in production welding.

In addition, comments were received which related to work at the Clinter plant, and are covered in a separate report (IE report No. 50-461/78-06).

RIII personnel made two visits to the Husky facility in Florence, Kentucky. During plant visits, the manufacturing areas were toured, work in progress was observed, pertinent records were reviewed, and interviews were held with Husky personnel.

Records reviewed, and interviews held with Husky personnel indicated that Husky welders had been qualified as required by the American Society of Mechanical Engineers Code for Boilers and Pressure Vessels, Section IX (ASME Section IX). No information relative to the use of low strength materials could be developed.

On September 22, 1978, RIII personnel visited the Union Testing and Research Laboratory, where material samples had been tested for Husky during production of cable pans for the Zimmer plant. Records relating to all tests of material for Husky for the years 1974-1976 inclusive were reviewed. None of the test reports reflected that materials to be used in the Zimmer plant cable pans did not meet the specified yield strength requirements.

During a second visit to the Husky facility, signed statements were obtained from three Husky employees. The personnel interviewed indicated that they had no knowledge of any low strength materials being used in construction of cable pans for the Zimmer site. (See Exhibits II, III and IV).

During document review, it was found that the shielding gas and diameter of the filler material utilized for the welding process differed from the qualified welding procedure for a period of approximately four weeks. This is in nonconformance with ASME Section IX in that a variable of the welding process was changed without subsequent recertification of the welding procedure and welders.

Husky personnel stated that they would have their welding procedure qualified with the correct shielding gas and filler material, to demonstrate that the quality of the welds was not affected by the changes in welding procedure. Later contacts with Husky personnel indicated that some manual welding had been performed prior to procedure qualification.

CONCLUSIONS

1. No evidence was developed that low strength material had been utilized in fabrication of electrical cable pans for the Zimmer plant.
2. Materials and welding for cable pans supplied by Husky to the Zimmer plant were tested and found to be acceptable.
3. Welder certification had been performed as required by Section IX of the ASME Boiler and Pressure Vessel Code.
4. Welding wire and shield gas were not as specified in the qualified welding procedure for a period in 1974. In addition, two welders performed welding without benefit of prior qualification. This is in nonconformance with 10 CFR 50, Appendix B, Criterion IX and Section IX of the ASME code. (See Details Section III).

DETAILS

Section 1

Prepared by J. L. Foster

Reviewed by C. E. Norelius

Assistant to the Director

1. Personnel Contacted

Cincinnati Gas and Electric Company

E. A. Borgman, Vice President
B. K. Culver, Project Manager
R. P. Ehas, Quality Assurance and Standards Engineer
D. C. Kramer, Quality Assurance and Standards Engineer
J. R. Schott, Station Superintendent
W. W. Schweirs, Principal Quality Assurance and Standards Engineer
W. D. Waymire, General Engineering Department

Kaiser Engineers, Inc.

R. Turner, Quality Assurance Manager

Husky Products

Fred L. Banta, Engineering R&D Manager
Don Dietrich, Tool Engineer
Clare F. Duncan, Quality Control Manager
Ronald C. Johnson, Production Foremen
Randy Pratt, Industrial Engineer
Ken Rigley, Welding Operator
Duane Ring, President
Barry Schuster, Utilities Market Manager

The William Powell Co. (Union Testing and Research Laboratory)

Steven L. Fogle, Assistant Manager of Laboratory
Edwin E. Winterfeldt, Corp. Manager of Quality Assurance

Individuals

Individuals "A" through "J"

Sargent and Lundv

M. E. Schuster

Cincinnati Post-Enquirer

Douglas Sturr, Staff Reporter

Metcalf Research Associates

L. J. Fritz, Material Testing Supervisor
R. L. Duvall, Testing Technician

F&S Machining Services, Inc.

J. Foster, President

2. SCOPE and CHRONOLOGY

This investigation centered on the allegations provided by Individual "A", relative to the use of low strength materials and improper welding by Husky. This report covers those allegations and inspections which pertain to the Zimmer Unit 1 plant. Allegations made which pertain to the Clinton 1 plant will be reported in a separate report.

On August 31, 1978, a copy of a letter by Individual "A" was received at RIII.

On September 8, 1978, Individual "A" was contacted by RIII personnel.

During September 19-20, 1978, inspections were made at Clinton and Zimmer.

On September 20, 1978, Individual "A" was interviewed by RIII personnel.

During September 20-22, 27-29, 1978, RIII personnel visited the Husky facility.

On September 21, 1978, Individual "A" was contacted by telephone.

On September 22, 1978, RIII personnel visited the Union Test Lab.

On September 25, 1978, a second letter from Individual "A" was received at RIII (Exhibit VII).

On September 27, 1978, Individual "A" was re-interviewed by R111 personnel.

During September 27-29, R111 personnel visited the Husky facility.

On September 28, 1978, tests were performed on cable pans from the Zimmer site.

On September 29, 1978, R111 personnel visited Modern Welding, and Sheet Metal.

3. Initial Contact with Individual "A"

On September 8, 1978, R111 personnel contacted Individual "A" by telephone. Individual "A" indicated that he had been the Manager of Industrial Engineering for the Husky Products Company. He stated that he had worked for the company approximately five years, but was laid off on August 4, 1978.

Individual "A"'s concerns, as delineated in his letter of August 18, 1978, were discussed in general terms.

4. Interview of Individual "A"

On September 20, 1978, Individual "A" was interviewed by R111 personnel. Individual "A" indicated that the order for cable pans for the Zimmer plant was the first contract for which Husky had to meet nuclear requirements. He stated that these requirements included a special design requiring wrap-around splice plates, and pan side rails made from material with a minimum tensile strength of 35,000 pounds per square inch.

Individual "A" stated that for the Zimmer project, Husky procured steel from the Central Steel Company or J&L steel, purchasing commercial quality steel, and then testing the steel to see that it met the minimum strength requirements. The steel supplier would take a "master" coil, and slit it into six (on the average) production coils for Husky usage. Samples would be taken from the steel when it arrived at Husky, and the shipment would be placed on hold until the results of the tests were received. Individual "A" indicated that these material tests had been performed by the Powell Valve Company test lab in Cincinnati (The Union Testing and Research Laboratory).

Individual "A" stated that it was found that commercial quality steel varied in strength, and that one shipment was found to be low tensile strength steel. He stated that Individual "B" made the decision to use this low strength steel in "fittings" or curved sections of cable pan, where strength is not crucial, and that a memo to this effect had been written. Individual "A" stated that on approximately February 10, 1976, he found that the low tensile strength material mentioned had not been properly segregated, and had inadvertently been made into straight sections of electrical cable pan.

Individual "A" indicated that he had informed Individual "D" that the low strength material had been used to manufacture cable pan, and produced a handwritten note (see Exhibit VI) which he indicated had been given to Individual "D". He also indicated that he had informed Individuals "B", "C", "G", and "I" that this had happened. He stated that this one-time occurrence had been the subject of discussion among Husky personnel for several years.

Individual "A" stated that the manual welds used to manufacture fittings were poorly done, and that the welder certification program was a "farce". He stated that welders who were to work on cable pans for the Zimmer contract were required to pass a qualification test as required by Section IX of the ASME Code. When initially tested by Gladstone Laboratories, he said, the welders could not pass the qualification test, and generally succeeded in passing the test after multiple attempts. Individual "A" stated that the welders did not perform their production welding any differently after passing the welder certification test.

Individual "A" indicated that several knowledgeable people had been critical of the welding performed by Husky welders, including Individual "J" (whose report is attached as part of Exhibit I). Individual "A" indicated that Individual "J" would have no part of training Husky welders unless they attended the full training course that his welding school provided.

RIII personnel advised Individual "A" that the technical specification for the cable pans to be used in the Zimmer plant (specification H-2199, Division 2, Section 202.1) required that the materials be of a minimum yield strength of 30,000 pounds per square inch (yield strength is usually less than tensile strength). The comment

regarding 35,000 lb/square inch tensile strength is incorrect. Individual "A" was also advised that the specification would not allow the use of low strength material for cable pan fittings.

5. Investigation at Husky Products

During September 20-22, 1978, R111 personnel visited the Husky Products facility in Florence, Kentucky.

Discussion with Husky personnel indicated that, due to the special design of cable pans for the Zimmer contract, steel rolls utilized in their construction were of unique size (7.7 and 5.7 inch wide rolls) not used for any other contract. As such, it was indicated, the 14 and 22 gauge material for the Zimmer contract could be easily traced through the receipt, testing, and manufacturing process, and such documentation could be identified by Husky Order No. 3995.

R111 personnel toured the Husky facility, observed the fabrication of sections of electrical cable pan, and inspected equipment utilized in the forming and welding processes. Storage and receipt inspection procedures were also reviewed.

Husky personnel indicated that they had no knowledge of any low strength steel being received or utilized by Husky for any contract. It was indicated that during 1974-1976, Husky purchased commercial quality steel, and then took samples from the material, which would be placed on hold until testing indicated that it met the contract requirements. Husky personnel stated that they had experienced some problems with low strength aluminum, and some steel had been returned to the vendor for roll flaws, but no 14 or 22 gauge steel had been found to be of low yield strength.

Husky personnel stated that no decision had been made to use low strength material on cable pan fittings on the Zimmer contract or any other contracts.

Husky personnel did indicate that half of one shipment of coiled steel had been returned to the vendor for coil defects known as "coil breaks". They stated that the coil breaks do not affect the strength of the material, but cause problems during manufacture, and detract from the visual appearance of finished products. Two Husky officials noted that it was possible that it was decided to use rolls with coil breaks for fittings, as the coil breaks could be cut out during the manufacturing process. However, none of the individuals interviewed recalled such a decision.

A review of the Zimmer contract file indicated that part of a shipment of 14 gauge steel for the Zimmer contract had been returned to the vendor for having "bad waves" (improper winding of the steel which would cause manufacturing problems). Additionally, a steel shipment received on February 10, 1976, was found to be .002 inches too thick, and was accepted.

R111 personnel reviewed documents relative to receipt of materials, shipment of materials to the Zimmer site, production records covering Zimmer cable pans manufactured during 1976, returned shipments of roll steel, correspondence with steel vendors concerning coil breaks, discrepancy reports, and internal memoranda. None of the documents reviewed indicated that unacceptable materials had been utilized by Husky.

R111 personnel also reviewed welding procedure and welder qualification documentation.

It was found that manual welding for the Zimmer plant was performed using a Metal Inert Gas (MIG) procedure, and steel filler wire, using semi-automatic equipment. On this type of equipment, welding parameters are set on the welding machine, and the welder positions the welding gun and pulls a trigger. The equipment then operates automatically, controlling shielding gas flow, electric current, filler wire feed rate, and time of the weld. Manual welding was performed on "fittings" (curved sections of cable pan) only, with the bulk of cable pan being straight sections welded by automatic resistance welding equipment.

Welding records reviewed met the requirements of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code, Section IX (ASME Section IX), which was imposed on Husky by its inclusion in their Quality Assurance Manual.

ASME Section IX prescribes methods and procedures to be followed in welding procedure and welder qualification. Individual "A"'s comment that the Husky welders did not qualify in the same manner as they produced welds is correct, but is in conformance with ASME requirements. Qualification was performed to a butt weld procedure, per the requirements of ASME Section IX, and production welds were spot welds.

6. Visit to Union Testing and Research Laboratory

On September 22, 1978, R111 representatives visited the Union Testing and Research Laboratory, a division of the William Powell Company.

Powell personnel indicated that they had performed material tests for Husky during the years 1974-1976, and followed the procedure of calling the company and informing them of the test results on handwritten forms, then typing the test forms and sending them to Husky for their records.

R111 personnel reviewed Powell files for Husky covering 1974-1976. All test reports reviewed indicated 14 and 22 gauge steel was tested and found to be in excess of 30,000 pounds per square inch yield strength. Typical values for such material range from 35,000 to 40,000 pounds per square inch. Records for the years 1975 and 1976 indicated one test of 16 gauge steel was tested and to have 29,400 lbs/square inch yield, and one sample of aluminum was tested and found to have 15,650 lbs/square inch yield strength.

Powell personnel stated that they did not recall any 14 or 22 gauge steel which they had tested which did not exceed 30,000 lbs/square inch yield strength. They indicated that this was typical of 14 and 22 gauge steel, and that steel vendors have a difficulty producing such material.

7. Contact with Individual "A"

Individual "A" was contacted by telephone by the R111 investigator on September 21, 1976, and asked to provide additional detail regarding his alleged discovery of the use of low strength material. Individual "A" stated that he had been aware of the existence of low strength material through receipt of inspection reports which had been routed through his office. He stated that some of the material was marked "return to vender", and some of it was marked "use for fittings only - segregate". He indicated that he was in the Husky material storage area on February 10, 1976, and asked a worker where the Zimmer low strength material was stored. The worker did not know what he was talking about, Individual "A" said, and he asked the worker's supervisor the same question, with similar results. Individual "A" stated that he then advised Individual "B" of the occurrence, and wrote the note attached as Exhibit VI to Individual "D". He indicated that Individual "D" went to look into the matter, and later returned the note with a verbal comment to "forget it".

Individual "A" commented that he had not actually read the written specification for the Zimmer cable pans, but he understood that the specification required material with a minimum tensile strength of 35,000 lbs. per square inch. He was again advised of the actual specification requirements.

8. Contact with Individual "J"

Individual "J", of the Technicon School of Welding, was contacted by the R111 investigator on September 7, 1978.

Individual "J" indicated that his school utilized Gladstone Laboratories (Gladstone) to certify his welders, and that when Husky welders had difficulty passing weld certification tests, Gladstone had recommended him to Husky.

Individual "J" stated that he did not remember all of the details of his review of Husky, but he recalled that most but not all of their problems involved the welding of aluminum. He indicated that he had fewer concerns relative to steel welding. He stated that he had looked at Husky from the viewpoint of a consultant, with a view towards training their welders at his school.

Individual "J" indicated that he had not refused to train welders from Husky, but he had wanted the welders to take the entire training course which his school offered. He stated that Husky management only wanted their welders to be schooled in the two weld procedures (MIG and TIG) which they utilized. Individual "J" indicated that he did have some reservations that the older Husky welders would not benefit from training at his school.

During the discussion Individual "J" indicated that he was not aware that his report had been attached to Individual "A"'s letter. He indicated that Individual "A" had not contacted him, and that he had not been in contact with the Husky company since the date of his report.

9. Interview with Individual "A" on September 27, 1978

Individual "A" was interviewed on September 27, 1978, and discussions were held on the progress of the NRC investigation.

Individual "A" was advised that no evidence of low strength material had been developed, and was requested to provide any additional information which would aid in the investigation. Individual "A" indicated that in early 1975 prior to the shipment of low strength steel which was inadvertently used for cable pans, another shipment had been tested, found to be of low strength material, and was properly returned to the vendor. He stated that he believed that the

shipment which was improperly utilized was a small shipment, possibly of six coils of steel, which was delivered during the months of December 1975 or January 1976.

Individual "A" indicated that he had also recalled an occurrence in November 1975, when Husky sent Zimmer material to Modern Welding and Sheet Metal (Modern), a specialty welding firm which did not have welders qualified to ASME Section IX at the time. Individual "A" stated that this was done because the Husky plant was on strike, and the company felt that they had to meet their contract to supply the cable pans. He stated that the order comprised over 100 pieces of equipment, of three-piece construction. He indicated his understanding that the welders for Modern were not qualified to ASME Section IX until sometime in 1976.

Individual "A" provided the RIII investigators with the name and telephone number of a former Husky employee who, it was indicated, might have some recollection of the alleged use of low strength material during manufacture of equipment for the Zimmer plant.

10. Contact with Individual "D"

Individual "D" was contacted by the RIII investigator on September 29, 1976.

Individual "D" was questioned as to his knowledge of the use of low strength materials in the fabrication of cable pans for the Zimmer plant. He stated that he did not recall the use of any low strength material on any of the Husky nuclear contracts. He indicated that he did not believe that anyone at Husky would knowingly allow such an occurrence, especially those in the Quality Control department.

The scenario of the discovery of the use of the low strength material as described by Individual "A" was discussed with Individual "D", and the note allegedly sent to him was read. Individual "D" stated that he had no recollection of any such note, and indicated that it would be unusual for him to return such a note without some kind of written comment, as he disliked verbal communications.

Individual "D" recalled occurrences where shipments of steel were found to have various problems such as excessive oil, roll problems such as ripples or twists, or were rejected because of steel thickness variations. He indicated that he also recalled the incidence of some

low strength aluminum, and steel pre-galvanized with an aluminum-zinc coating which was banned from inclusion in the Zimmer equipment.

He stated that the aluminum-zinc coated material (Galvalume) was to be made into cable pan covers, but Husky personnel recognized that the 1.6% aluminum content of the coating was undesirable due to its large surface area, and a program was set up to insure that Galvalume pan covers were shipped to the Zimmer site. Individual "D" indicated that on at least one occasion, covers were inadvertently fabricated of this material, were identified, and had to be re-fabricated.

11. Visit to Husky Products during September 27-29, 1978

R111 personnel visited the Husky facility during September 27-29, 1978. During this visit, documentation related to welder qualification testing, production records, material tests, deficiency reports, internal memoranda of the Industrial Engineering section, and weld procedure qualifications were reviewed. Interviews were held with Husky personnel, and three signed statements were obtained. (See exhibits II, III and IV).

None of the documents reviewed, and none of the statements received during interviews indicated that low strength materials had been utilized during manufacture of the Zimmer plant cable pans.

Welding certification was reviewed as pertaining to welding procedure and welder qualification to Section IX of the ASME Boiler and Pressure Vessel Code. Welder qualification records and welder qualification test pieces (stored at Husky) were considered acceptable. Records indicated that welders had made several qualification attempts in many cases. This is acceptable under ASME Section IX.

During document reviews at Husky, it was found that the welding procedure for manual welding on Zimmer equipment had been qualified using carbon dioxide shielding gas and .035 inch diameter filler material, but a mixture of shielding gas and .045 inch diameter filler material had been utilized for the period of November 14 - December 3, 1974. This is in nonconformance with ASME Section IX, which required requalification of the welding procedure when these variables were changed.

12. Interview with Individual "E"

Individual "E", Husky Purchasing Agent, was interviewed by R111 personnel on September 28, 1978, at Husky.

Individual "E" stated that to his knowledge, Husky had not received nor returned any steel which did not meet the appropriate strength requirements. He stated that since the steel that was purchased during the manufacture of the Zimmer equipment was purchased to commercial steel specifications, and then tested, it would not have been returned if it did not meet the minimum strength requirements. No minimum strength requirements are imposed on the steel vendor when commercial grade steel is purchased.

Individual "E" stated that flat stock steel was purchased and controlled in the same fashion as roll stock i.e., to commercial grade requirements, and then tested to insure that it met the minimum strength requirements.

Individual "E" stated that the Central Steel Company had supplied all of the 14 gauge steel utilized for the Zimmer cable pans.

13. Visit to Modern Welding and Sheet Metal

On September 29, 1978, RIII representatives visited the Modern Welding and Sheet Metal Company.

Discussions were held with Individual "F", one of the managers for the firm. Individual "F" indicated that the majority of the work that his firm does for Husky is specialty welding of separators, junction boxes, cable bus, and aluminum welding. He indicated that to the best of his knowledge, his firm had not performed any welding on cable pans for Husky at any time.

Individual "F" was requested to review his files for work performed for Husky for the years 1975 and 1976, with attention to any work on electrical cable pans. Individual "F" stated that he could not find any orders concerning electrical cable pans, and the Husky identification number (3995) for the Zimmer project was not found in his review of his files.

On October 12, 1978, the RIII investigator contacted Individual "F" and requested that he again review his files, and provide the NRC with information as to any products manufactured for Husky during November, 1975. Individual "F" provided this information, which indicated that tap boxes and cable separators had been fabricated by his firm for Husky, but no work had been done on cable pans, and none of the Husky tags applied to the work had referenced the Zimmer identification number.

14. Contact with Individual "G"

Individual "A" had advised R111 personnel that Individual "G" might have information concerning the use of low strength material in the Zimmer equipment. This individual was contacted by the R111 investigator on October 5, 1978.

Individual "G" stated that he had been in the hospital during the period of the alleged use of low strength materials. He indicated that he had no knowledge of such an occurrence, and that he had not heard anyone at the Husky plant discuss such an occurrence while he was employed there (his employment terminated in February, 1978).

15. Contact with Individual "H"

Individual "H", an employee of Hobart Welding who had acted as a consultant to Husky on welding and welding qualification, was contacted on September 29, 1978.

Individual "H" indicated that his first contact with Husky was approximately five years ago, and that Individual "I" had been trained in the Hobart school. He stated that Husky had long been involved in welder qualification and in upgrading their welding. Individual "H" advised that five or six years ago, the Husky welders did have some welding problems, and that they did acceptable welding on the production line, but made poor qualification test pieces.

Individual "H" stated that he believed that Husky had a good program for welding qualification testing, and had used the program to "weed out" the poorer welders.

16. Discussions with Individual "A"

Several telephone discussions were held with Individual "A" concerning the findings of the investigation. Individual "A" expressed dissatisfaction with the findings of the investigation, and provided additional allegations concerning Husky.

Individual "A" stated that the Husky welders had not qualified on both the vertical and horizontal welding positions, and had performed vertical welding during cable pan manufacture.

Individual "A" indicated that he felt that the Husky welds had been required to be of pressure vessel quality. He was advised that the specification had not required welds of pressure vessel quality. Welds of pressure vessel quality require non-destructive examination

such as magnetic particle, radiographic, liquid penetrant, or ultrasonic testing, as a verification of their quality, and no such inspections were required.

Individual "A" also indicated that he felt that the company had not met all of the requirements of Code of Federal Regulations, Title 10, Part 50, Appendix B, Quality Assurance Criteria for Nuclear Power Plants (a copy of this regulation had been provided to him by RLL personnel). RLL personnel explained that all of the requirements of this regulation were imposed on utilities, but the provisions of the Husky Quality Assurance Manual were the requirement imposed on Husky after approval of the manual by utility representatives.

17. Contact with Husky Personnel

Telephone contacts with Husky personnel indicated that some cable channels had been fabricated by Modern, with the order being processed during November, 1975, and completed in later months. Husky personnel indicated that this material was for another nuclear power plant, and was fabricated prior to the particular utility's imposition of a requirement for work done by welders qualified to Section IX of the ASME Code.

Husky personnel also indicated that virtually all of their welding was done in the horizontal welding position, and they did not recall any pieces for the Zimmer contract which necessitated vertical welding.

A review of Husky welder certifications for the horizontal and vertical positions indicated that one Husky welder was not qualified in the MIG procedure vertical (3G) welding position. Welders previously indicated by Husky personnel as having produced the majority of the Manual MIG welding for the Zimmer project (at work center 35) were recorded as having been qualified in both horizontal (2G) and vertical (3G) positions. Qualification to the "3G" vertical position also qualified a welder to perform flat (1G) welding per ASME Section IX.

18. Contacts with Husky Personnel

Telephone discussions with Husky personnel on October 24, and 29, 1976, provided additional information on low strength aluminum materials.

Husky personnel indicated that aluminum materials were ordered to 6063T6 requirements, which include a minimum 30,000 lbs. per square inch yield strength (as shown by mill certificates). They stated that a shipment of the material was thought to be of low

strength, and sample test pieces sent to their test lab confirmed that the material was below requirements. Husky personnel indicated that as a result of this, the entire lot of material was returned to the vendor, and the balance of their orders with the vendor were cancelled.

Husky personnel stated that the rejections of this material occurred in October and November 1977, with the original discrepancy report being generated in September of 1977. They stated that in January 1978, representatives of the vendor visited the Husky facility and discussed the problem.

Section 11

Prepared by T. E. Vandul
Reviewed by D. W. Hayes, Chief
Projects Section

1. Site Review Activities

The following Zimmer site activities were performed by the inspector relative to the allegations regarding inadequate material and welding of Husky Products, Inc. (Husky) cable trays, pans and fittings:

- a. A review was conducted of the licensee source evaluation, surveillance and auditing activities performed regarding Husky. It was established that the licensee program for vendor evaluation and auditing had been accomplished in that the Husky Quality Assurance program and Welding procedures had been reviewed and approved by licensee representatives. Additionally, an audit by the licensee was performed of the implementation of the program at the Husky plant prior to start of fabrication.

In response to questioning, the inspector was informed that no source inspection of material was done prior to shipment since the material was readily amenable to inspection upon receipt at the site. It was added that the material was considered so standard and unsophisticated as to not warrant shop inspection.

- b. In review of the cable trays, pans and fittings on site, it was established that essentially all of the material has been installed and indeed have been filled with cables. During visual inspection of the installed trays no faulty or inadequate trays were identified. In discussions with the licensee representatives regarding the difficulty of visual inspection of welds now covered by galvanizing, it was concluded that testing of selected random samples of material would be a more meaningful test. Therefore, the following list of samples, randomly selected by the licensee representative and the NRC inspectors, was picked for testing by either tension pull tests (yield strength) or by weld tear testing or both.

<u>Type</u> <u>Components</u>	<u>P.O. Number</u>	<u>Stock Number</u>	<u>Tests</u>
Straight tray 18"	7070-27655	55M1-18-144	Two yields, one tear
Straight tray 24"	7070-27303	55M1-24-144	One yield, two tear

Fitting	7070-27223	55N1-12-H30 ⁰	One yield, one tear
Straight tray 24" (from control room)	Route #1276K (P.O. unknown)	55N1-24-144 -	(One yield, one tear
Fitting	7070-27655	55N1-24-VI90 ⁰ -12	One yield one tear
	7070-28009	55N1-24-VI30 ⁰ -12	One yield

... was considered necessary since the fitting had inadvertently been torn during handling and the results of those weld tears showed adequate welding.

It was further agreed that the yield strength testing would be done by an independent testing laboratory in accordance to ASTM standard E-8 Tension Testing of Metallic Materials and that the minimum strength acceptance criteria will be the S&L specification H-2199 requirement of paragraph 202.1; i.e., yield strength to be a minimum of 30,000 psi. In addition, the weld tear tests would also be done by an independent facility and that the acceptability of the welds would be judged as outlined in AWS standard C-1.1.

2. Witness of Testing

The inspector witnessed the following testing at independent laboratories of the samples previously selected at the site.

- Yield strength testing was conducted on September 26, 1978, at Metcut Research Associates facility. The inspector reviewed the qualifications of the operator, the calibration and adequacy of the testing machine and the QA program standards of the facility and considered them to be acceptable for the test. It was further learned that the tensile specimens had been prepared in accordance with the ASTM E-8. The results of the tests are as follows.

<u>Metcut Number</u>	<u>Site Sample Number</u>	<u>Yield Strength Pounds per Square inch</u>	<u>Ultimate Strength</u>	<u>Percent Elongation</u>
T-2 1162	1276K	40,700	48,100	34.9
T-2 1163	55N112-H30 ⁰	42,600	47,800	30.7
T-2 1164	55N24VI90-12	43,100	48,900	28.3
T-2 1165	55N1-24VI30-12	42,400	47,600	32.6
T-2 1166	55N1-24-144	42,100	44,700	33.0
T-2 1167	55N1-18-144 (No. 1)	42,200	44,900	30.4
T-2 1168	55N1-18-144 (No. 2)	41,400	44,800	33.7

As can be noted from the table above, the yield strength values were well above the minimum yield value of 30,000 psi and therefore all test samples were deemed acceptable.

- b. Also on September 28, 1978, the weld tear tests of the resistance spot welds, were witnessed by the NRC inspector at the F&M Machine Company, located in Moscow, Ohio.

A test rig had been assembled whereby the test assembly was anchored to the floor and by use of a fork lift truck the assembly was pulled apart at the welds (side panels to tray bottom welds). The test method performed adequately with the following results established.

<u>Site Sample Number</u>	<u>Number of Welds in Tear Test</u>	<u>Results of Testing</u>
55M1-24-144 (No. 1)	five	Acceptable welds
55M1-24-144 (No. 2)	three	Acceptable welds
55M1-24-144 (Note 1)	three	Acceptable welds
HK 1276K 55M1-24-144	three	Acceptable welds
55M1-12-H30 ⁰ fitting	seven	One weld had a reduced spot section, see Note 2
55M1-24V190 ⁰ -12 fitting	eight	Two welds had a reduced spot, see Note 2
55M1-18-144	three	Acceptable welds

Note 1: An additional test assembly, available for test in addition to the two planned to be tested, was also tested for a total of seven test assemblies tested.

Note 2: The reduced spot section welds were subsequently measured and found to be adequate per the minimum size specified in AWS C-1.1. A total of seven test assemblies were tested with a total of 32 welds being tested. All welds were determined to be adequate with three spots being evaluated as being acceptable to AWS C-1.1.

As can be noted from the table above, the yield strength values were well above the minimum yield value of 30,000 psi and therefore all test samples were deemed acceptable.

- b. Also on September 28, 1978, the weld tear tests of the resistance spot welds, were witnessed by the NRC inspector at the F&B Machine Company, located in Moscow, Ohio.

A test rig had been assembled whereby the test assembly was anchored to the floor and by use of a fork lift truck the assembly was pulled apart at the welds (side panels to tray bottom welds). The test method performed adequately with the following results established.

<u>Site Sample Number</u>	<u>Number of Welds in Tear Test</u>	<u>Results of Testin.</u>
55M1-24-144 (No. 1)	five	Acceptable welds
55M1-24-144 (No. 2)	three	Acceptable welds
55M1-24-144 (Note 1)	three	Acceptable welds
MR 1276K 55M1-24-144	three	Acceptable welds
55M1-12-H30 ⁰ fitting	seven	One weld had a reduced spot section, see Note 2
55M1-24-V190 ⁰ -12 fitting	eight	Two welds had a reduced spot, see Note 2
55M1-18-144	three	Acceptable welds

Note 1: An additional test assembly, available for test in addition to the two planned to be tested, was also tested for a total of seven test assemblies tested.

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Section 111

Prepared by H. M. Wescott
Reviewed by D. W. Hayes, Chief
Projects Branch

1. Review of Welding Requirements and Observation of Installed Cable Tray

The inspector reviewed selected documents and made observations of safety related cable tray and fittings, as follows:

- a. Review of Sargent and Lundy specification H-2199, dated March 16, 1973, Revised July 17, 1973, titled, "Specification for Cable Pans".
- b. Review of NEMA Standard VEI-1971 used in conjunction with the specification.
- c. Review of the Husky Products, Inc. Quality Control Manual. Section IX "Control of Special Processes", issue date December 18, 1974, revised January 15, 1975.
- d. Review of Wm. H. Zimmer Unit 1 "Documentation Check Lists" (Form QAS-106).
- e. Review of certificates of compliance.
- f. Review of Galvanizing Inspection reports.
- g. Review of Wm. H. Zimmer receiving inspection plans (NEI Form No. QA-8).
- h. Observations made of cable tray installed and in storage area.
- i. Participated in selection of randomly selected cable tray and fittings to be tested for minimum yield strength and weldment strength tests.

2. Review of Welding Procedures, Qualifications and Observations at Burndy/Husky

The inspector reviewed welding procedure specifications, procedure qualifications records, welder performance qualifications, and selected documents pertaining to safety related cable tray and fittings, as follows:

- a. Review of all welder qualifications.
- b. Review of Welding Procedure specification QAP-107, Welding Procedure No. 2 "Manual Gas Metal Arc Welding Process," effective date October 18, 1974, Revision No. 01.
- c. Review of QAP 104 "Procedure for Inspection of Resistance Spot Welding", effective date August 18, 1974, Revision No. 01.
- d. Review of inter-office correspondence concerning welding, that indicated QAP-107 should be requalified to reflect changes in essential variables.
- e. Discussion with management and shop personnel.
- f. Observations made in the shop area of fabrication in progress.
- g. Review of in process inspection records.

Review of a Burndy/Husky memorandum from the Husky welding engineer dated November 14, 1974, Subject "Welder Performance Qualification" indicated that a 75% argon and 25% carbon dioxide shielding gas mixture and .045 filler material was substituted for the welding grade carbon dioxide shielding gas and 0.35 filler material that was specified in QAP-107 "Manual Gas Metal Arc Welding Process", dated October 18, 1974, Revision No. 01. The memo further stated that, "The ASME Section says that if this occurs, the procedure must be requalified along with the performance tests. (Section QW 281.2, QW 281.3 and QW 281.4)".

An Inter-Office letter dated December 3, 1974, stated that the argon/carbon dioxide gas mixture would be used until the supply was exhausted at which time the welding grade carbon dioxide would be used.

The argon/carbon dioxide shielding gas mixture was used for approximately four weeks with no requalification of the welding procedure specification and welders.

Husky management personnel indicated that QAP-107 would be requalified using the 75% argon and 25% gas mixture using the .045 filler material.

This is considered to be an item of noncompliance to 10 CFR, Part 50, Appendix B, Criterion IX. (50-256/78-21-02)

Subsequent to the investigation telephone contacts with Husky personnel by the investigation specialist established that steel TIG welding had been performed on cable tray prior to qualification of the welding procedure specification by two welders that had not qualified for the process. Husky personnel were requested to review the qualification records of the personnel who had performed the welding and inform R111 of the results of their review.

Husky personnel informed R111 of the review by telephone, and followed with written notification dated November 10, 1978. The Husky review indicated that the two welders had performed TIG welding on equipment for the Zimmer plant prior to the welding procedure qualification for the TIG process.

The steel TIG welding procedure was qualified on August 26, 1975, by one of the two welders. The second welder was qualified to the procedure on March 10, 1976. Both welders had made several steel TIG welds prior to being qualified.

These conditions were contrary to 10 CFR 50, Appendix B, Criterion IX of the ASME Code. (358/78-21-01)

Exit Interview

The inspectors and the Chief, Reactor Construction and Engineering Support Branch, met with licensee representatives noted in Details, Section I, under Personnel Contacted, at CG&E Co. on September 22, 1976. The inspectors summarized the scope and findings of the investigation and the licensee acknowledges the findings.

Attachments: Exhibits
1 through VII

August 15, 1973

Public Interest Research Group
2000 P Street N. W.
Washington, D. C. 20036

Attention: Mr. John Abbotts

Dear Mr. Abbotts:

I am writing this as a former employee of Hisky Products Inc. of Florence, Kentucky to report serious and deliberate non-conformance to 10 CFR 50 Nuclear Requirements and Engineering Specifications based on the above requirements. To make it even worse they send out polarized Certificates of Compliance with the full knowledge they are false.

In May of this year I had occasion to visit the Zinsser Nuclear Containment area and to see the various control areas and in particular to see Hisky cable trays in position and many filled with the cables.

Since this visit I have been disturbed by two aspects of Hisky's non-conformance, particularly as they relate to the safe operation of this plant after completion of construction.

These two important aspects are as follows:

1. Use of inferior and weak material completely out of specifications.
2. Trays welded by incompetent welders with every type weld defect present in every tray assembly.

The following illustrates these two aspects in more detail. They are related to the Zinsser job specifically which was the original job with the 10 CFR 50 requirements. On this job flagrant and serious non-conformance occurred and with this as a pattern it has occurred on all subsequent jobs.

MATERIAL:

All tray is designed with a load capacity which includes a safety factor. The tensile strength of the side rails largely determines this capacity. On the Zinsser job the tensile strength of the side rail material was to be in excess of 35,000 pounds. Hisky received and tested material as low as 18,000 pounds and a considerable amount in the range of 20 to 23,000 pounds. Some was rejected, some accepted on the basis it would be used for fittings where strength is not as critical.

Instead the material was not kept separate and thus many very weak side-rails were made up into long straight assemblies. After finding out that common mill steel varied so widely in tensile strength no more testing was done so that they could remain "unaware" of this condition. Incidentally some testing of T-6 aluminum was also performed and a wide range of tensile strength was also found. This was also ignored as above. What this adds up to is that Husky has built a tray that will not carry the rated load even with safety factor included.

WELDING:

The Zimmer job was the first job requiring the use of Certified welders in order to insure good welds. Husky contracted with Gladstone Laboratories of Cincinnati to set up a welder certification program. They did this and then tested all the welders. Without exception they failed the tests miserably. Husky then called in various Welding Engineers and Mr. Ind. "J" of Technicon School of Welding in Cincinnati who submitted a written report of findings. A copy of his report is attached. In general all the Weld Engineers concurred with Mr. Ind. "J" report. Mr. Ind. "J" was asked if he could or would train the welders. He refused, stating that it is very difficult, if not nearly impossible to untrain people first, then try to retrain, than it is to start fresh with a person having no prior welding knowledge or experience.

Husky then proceeded to work on their own in crash programs in which the welders finally welded one piece which would pass a bend test. This welder then became "Certified" by Husky. However., what is critically important is that nothing occurred to the quality of the production welds! In fact it remains to date in the same sad state as Mr. Ind. "J"'s findings dated October 30, 1974. Just a few weeks ago one welder was "tested" over 61 times before he finally made a test piece which was only marginally acceptable. Now he is a Husky "Certified" welder!

Starting in July and continuing this month a new type of non-conformance is presently in process on the Clinton job. Fittings are being Mig spot welded contrary to specific Engineering requirements. In addition Aluminum Bronze filler rod is being used with full knowledge that aluminum is not permitted in the containment area. Even worse the position of the spot is in such a manner the weld is less than 35% effective!

Substantiation of all these charges can be accomplished thru examination of Husky documents in relation to Material and to the Welders by the records, visual examination of the welds and by retesting the so called "Certified" welders by a competent Welding Engineer. Visual inspection of the Clinton fittings will substantiate the charges outlined.

Page 3.

What disturbs me even more than the actual incidents described is the fact so many top management people see nothing wrong in all these actions. So little real concern is shown to producing a truly quality product within the specifications. This should become even more particularly so when nuclear safety is directly involved.

Yours truly,

Individual "A"

Distribution as follows:

Engineering Companies that may or may not be concerned.

Ebasco

United Engineers and Constructors

Bechtel Corp.

Brown & Root

~~Bechtel & Root~~

Sargent & Lundy

Stone & Webster

Black & Veatch

This may not be complete, however to the best of my knowledge it is.

Government Agencies:

Nuclear Regulatory Commission

Congressional Joint Atomic Energy Committee

Private Group:

Public Interest Research Group

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Exhibit 1
Page 3 of 7

Report of the Findings at
Husky Products Incorporated
on October 30, 1974

Submitted by:
Technichron Inc., School of Welding

It was generally found that the reason your company has had difficulty in certifying your weldors is due to the fact that while some of your men are qualified weldors, they suffer from the ills of an employee that is offering an incentive program.

In order for an employee of your company to meet his required production level, plus benefit by the incentive program it was found that their welding machines were set at maximum output allowable, which is just below the point of blowing holes in the parent metal. This condition creates improper welding methods, and instead of establishing good welding, you have a situation of blasting the metal together. These extreme amperage settings also make it necessary to use higher gas flow in order to control the arc. This has to be extremely costly to your company.

Because of the conditions that exist (welding machine settings and gas flows) it was observed that improper welding is a common occurrence at Husky Products. The welds are not structurally sound.

Aluminum Welding:

All the welds have craters and it was observed that most of these craters show the common condition known as "crater cracking". It was further observed that there were many welds that had both cracking conditions in the weld as well as the crater. These conditions are primarily caused by the extremely high amperage and gas coverage. Your weldors are running extremely hot welds due to speed and thus you have rapid cooling conditions and cracking. The high gas flows (while costly) also causes rapid cooling and thus cracking.

Generally it was observed that the weldors in your aluminum welding areas had good welding techniques however lack knowledge in setting up the proper welding conditions before welding.

These men lacked the following knowledge:

1. Setting the welding machine
2. Setting the proper gas flow
3. Holding the tungsten rather than pointing it
4. Controlling the weld to prevent craters
5. Cleaning the parent metal before welding

Steel Welding:

Four men were observed in the steel welding areas. One man had the knowledge of proper machine and gas flow settings however he lacked the welding techniques. This man was one of your oldest welders. The other three men had very little knowledge about proper settings and one of the three lacked the proper welding techniques. This man was your oldest employee in your welding department. Again it was apparent that all conditions existed to turn out maximum production.

As long as you have these conditions you will find that certifying welders is going to be extremely difficult. When observing several of the test coupons run by your welders it was found that the following conditions existed:

1. Crystallizations of the weld
2. Porosity
3. Penetration that exceeded 100%
4. Undercut
5. Working of parent metal in the heat effected zone

All the conditions are created directly by running too high of amperage, too high of gas flows, and dirty metal.

Other Observations:

1. The using of fans in the welding areas is common practice. This condition causes the gas shield to be blown away, thus causing porosity in the welds. This is another reason for the high gas flow pressures which is costly since larger volumes of gas are used than necessary.
2. It was noted that Argon/CO² mix was being used in your M.I.G. welding operations on steel. This again is costly because CO² would be adequate for your operation. Straight CO² costs about 1/6 of what 75/25 Argon/CO² mix costs.
3. Many of your employees do not use eye protection or face protection. I'm certain you must have frequently absenteeism due to eye flash injuries.
4. No use of safety glasses in the entire plant. Welders must wear safety glasses under their welding hood. (An OSHA Standard).
5. The plant is not in compliance with OSHA Standards. This could cause extreme hardship in the future especially if you have a severe injury of one of your employees.

Suggestion:

Husky Products Inc., should consider a training program for those individuals employed in their welding department. This program should emphasize welding methods as well as welding techniques.

Any success arising from this training program is highly questionable, since proper welding methods and techniques would cut production. The present attitude in your welding department is quantity not quality. Sound certified quality welds will definitely reduce quantity, however the savings in cost of materials will most likely improve or equalize profits.

I am submitting this report with the intension of creating many constructive suggestions and have no intension to sound like I am being critical. You realized you had some concerns or you would have never contacted Technichron in the first place. Therefore, I sincerely hope that I have been of service to your company and that we may serve you again in the future.

Thank you.

Respectively Submitted

Individual "J"

Technichron School of Welding

I, Individual "B" , make the following written voluntary statement to James Foster who has identified himself to me as an investigation specialist of the Nuclear Regulatory Commission. I understand that I do not have to make a statement and that any statement I do make may be used in legal proceedings.

I have no knowledge of low yield strength steel, below 30,000 lbs. per square inch, having been present at the Husky Products Plant nor of such material having been utilized in the production of cable pans for the Zimmer Nuclear Power Plant.

I have read the preceding statement consisting of one page and made corrections where necessary. It is a true representation.

Signed _____ Individual "E" _____

Date 9-28-78

Witness James M. McCall 9-28-

Witness James E. Foster 9/28/78

I, Individual "C" , make the following written voluntary statement to James Foster who has identified himself to me as an investigation specialist of the Nuclear Regulatory Commission. I understand that I do not have to make a statement and that any statement I do make may be used in legal proceedings.

I have no knowledge of low yield strength steel, below 30,000 lbs. per square inch, having been present at the Husky Products Plant nor of such material having been utilized in the production of cable pans for the Zimmer Nuclear Power Plant.

I have read the preceding statement consisting of one page and made corrections where necessary. It is a true representation.

Signed Individual "C"

Date 9-28-78

Witness James E. Foster 9/28/78

Witness James M. [illegible]

1. Individual "1" make the following voluntary written statement to James L. Foster, who has identified himself to me as an Investigation Specialist of the Nuclear Regulatory Commission. I understand that I do not have to make a statement, and any statement that I do make may be used in legal proceedings. I am presently employed by Husky Products (as) an Industrial Engineer.

To the best of my knowledge, no low yield point material has ever been utilized in the manufacture of equipment for the Zimmer Nuclear Power Plant, Unit 1. I have been directly involved with the in-house welder certification program since its inception. This program has been properly conducted, and follows the provisions of ASME Section IX for welder certification. I did not object to my participation in this program, but had to become knowledgeable in welding before becoming centrally involved in the program. I feel that welder certification has been honestly conducted.

Welding procedures and welders have not been re-qualified when weld shield gas or gas mixtures have been changed. I pointed out to Individual "A" that this had not been done. After 3-4 weeks, Husky started using CO₂ gas strictly as the procedure calls for.

Individual "I"

- 2 -

I was aware that the Aluminum-Bronze MIG spot weld process had not been qualified as to process or welders. I felt that these qualifications were not necessary, as the process is similar to resistance welding in that it is semi-automatic. The welding parameters are set, and the welder only aims the welding gun.

I have read this voluntary statement, consisting of two (2) pages, and made corrections where necessary. It is a true representation.

Witness: James F. Foster 9/28/76 Signed Individual "I"

Harvey M. Wescott 9/28/76 Date 9/28/76

Exhibit IV

Page 2 of 2

Report No. 64-27113-1

Tensile Testing of (7) _____ ^{But} Sheet Specimens Manufactured to _____

Match Drawing No. Single End 1 1 8 9

Nominal Gage Section: 0.012" x 0.50" x 20.0"

Temperature: R.T.

Strain Rate through 0.2% Yield: 0.001 in./in./min.

Head Rate thence to Failure: 0.05 in. /min.

[illegible]

Notes:

Exhibit V

Page 1
of 1

Project Engineer

R.C.D.
Laboratory Technician

2-10-76

Low tensile Zimmer
stringers mixed
in stores and
now being used
for straights!

Returned with
verbal reply
to "forget it"
2-10-76

Text: Individual "D":

2-10-76

Low tensile Zimmer
stringers mixed
in stores and
now being used
for straights!

Individual "A"

Returned with
verbal reply
to "forget it"
2-10-76.

Exhibit VI

September 22, 1978

Hisky manufactures Cable Trays to NEMA Standards as per a catalog as a commercial item. It also manufactures modifications of Standard items and specials to a customers specifications.

Zippers were special in 4 important ways as follows.:

1. They required special wrap around splice plates with different bolt holes to strengthen the joints where 2 trays come together.
2. They specified side rail material to have a minimum tensile strength of 35,000 pounds.
3. Welding was to be Mig Welded in accordance with ASME Section 9 and to be performed by certified welders.
4. All pertinent records relative to Quality are to be retained on long term retention basis.

In respect to the welding this meant that the welds were to have a quality level equal to that required for boilers and pressure vessels. These were to be top quality welds with good fusion, structurally sound and with minimum of defects. These were to be welded by qualified welders certified as such thru testing as called out in Section 9 of ASME.

Hisky welders are competent to produce commercial type welds for an ordinary commercial product where defects and lack of fusion is acceptable. This is the type of weld done daily on our commercial work. We have Incentive Standards on this work and our welders earn from 160 to 200% day in and day out. This is the type welding described in Mr. Ind. "J"'s report.

Testing of our welders established their incompetence to produce quality welds at pressure vessel standards. Hisky worked with the welders until they made one good piece which would pass a bend test. The welder is then certified and then goes right back to production making commercial type welds for Incentive which is the only type weld ever made. Outside of making this one test piece they have no production experience in this type weld. Based on their difficulty in passing the test they need considerably more training, followed with actual production experience, before they can be competent to produce a high quality type of weld.

Quality welding would greatly increase the manufacturing cost, particularly if we changed all welding to become quality type. A second alternative would be to produce quality welds when required on nuclear work and commercial quality on all other work. Hisky's decision was to certify the welders but produce only the normal commercial type welds on all work. We would tell people we weld to Section 9 of ASME with certified welders. This has never changed. We have never made any effort to produce pressure vessel quality welds.

SEP 25 1978

This was done on the Zimmer job and was incorporated into the Quality Control Manual that Husky Welding is in conformance with ASME section 9 and the welds are made by certified welders. This is misleading in that people think that they will get quality welds. Instead everybody gets commercial quality welds made by a welder who once made one quality weld piece. On this basis Husky has secured additional nuclear work.

The top Managers of Husky are on a bonus setup. Anything that adds cost subtracts from profit which in turn reduces their bonus. To produce quality would be very expensive and would reduce their bonus. It is entirely possible the decision not to produce the specified quality welds was based entirely on the cost required to do so. The reason given to me and my people was, "that it is completely unnecessary."

Individual "A"

September 22, 1976