

SUMMARY

DESIGNATED ORIGINAL
Notified by R. Fortuna

The Nuclear Regulatory Commission (NRC) issued an "Order to Show Cause and Order Immediately Suspending Construction" at the William H. Zimmer Nuclear Power Station (ZNPS) on November 12, 1982. The Order requires that the licensee, the Cincinnati Gas and Electric Company (CG&E), obtain (subject to the approval of the NRC) an independent review of its management of the ZNPS project. On November 26, 1982, CG&E proposed that the Bechtel Power Corporation (Bechtel) be approved by the NRC as the organization to perform the third party assessment. CG&E submitted a letter to the NRC on January 3, 1983, which addresses the issue of Bechtel's independence. In this regard, CG&E maintains the initial contact between Bechtel and CG&E occurred telephonically on November 2, 1982, the first off-site meeting transpired on November 5, 1982 and Bechtel representatives were not on site prior to November 15, 1982.

The Government Accountability Project (GAP) challenged this nomination on the premise that Bechtel lacked the required independence as evidenced by the alleged presence of Bechtel personnel at the ZNPS site in the Summer and Fall of 1982. Further, since this time period is contradictory to information reported by CG&E and Bechtel, GAP contended material false statements may have been made. GAP supported its position in a letter dated January 20, 1983 which reports GAP had communicated with CG&E or arrived on site before November 1982. The letter contains specific details concerning the alleged arrival and on-site activity of Bechtel representatives between August 1 and November 1982.

Accordingly, an investigation was conducted by the NRC Office of Investigations (OI) to establish the dates and nature of all contacts between CG&E and Bechtel, and to determine whether Bechtel was on site, performing any services and/or in receipt of any pertinent information concerning the ZNPS prior to November 1982. The individuals who had volunteered their observations to GAP were interviewed. They reiterated that Bechtel had personnel at the ZNPS between August and November 1982, and furnished amplifying information to support their allegations. An examination of the ZNPS gate logs revealed three Bechtel officials had been at the site on November 5, 1982. During subsequent interviews, these and other Bechtel and CG&E officials explained this was an informal tour of the facility which was a continuation of the off-site meeting held earlier that day; and CG&E officials cited these reasons for the omission of this visit from CG&E's

list of site visits submitted to the NRC. With the exception of two Bechtel personnel seeking employment with the Henry J. Kaiser Company (Kaiser), ZNPS records contained no additional evidence of a Bechtel presence on site prior to November 15, 1982. The trailer which had purportedly been utilized by suspected Bechtel representatives was determined to be exclusively occupied by CG&E employees since its installation in September 1982. Upon interview, the NRC Senior Resident Inspector denied the allegation that he had been in the presence of Bechtel personnel at the ZNPS. Two former Kaiser employees who had reportedly identified the Bechtel executive who would be responsible for the audit, were interviewed. Both denied either being aware of this assignment or speculating on its possibility. However, each acknowledged being in contact with Bechtel during the Summer of 1982 in an attempt to obtain employment by Bechtel at nuclear sites other than the ZNPS. Interviews were effected with three site personnel who were alleged to have variously remarked that a particular trailer was being used by Bechtel, professed knowledge of a relative who was assisting Bechtel personnel to find housing in the area and introduced individuals as Bechtel employees. All denied making these representations; although one conceded the remote possibility of having introduced someone in jest as a Bechtel employee. Another interview resolved that one Bechtel representative who had registered at a local motel for one night in September 1982, had been seeking employment in the area but he had not been at the ZNPS. Inquiries at local police departments, real estate firms, car rental agencies and other motels produced no records or information indicative of the presence of Bechtel prior to November 1982.

In conclusion, inquiries at local business establishments and law enforcement agencies, an examination of all pertinent records, and interviews of NRC resident inspectors, site security guards, present and former CG&E and Kaiser employees, CG&E and Bechtel officials, and consulting firm personnel surfaced no evidence to corroborate the allegations of Bechtel representatives being on site or having any contact or relationship with CG&E or the ZNPS project prior to November 1982. Relatedly, in the absence of indications of an earlier Bechtel involvement at the facility, the alleged material false statements were not substantiated.

However, the investigation confirmed the existence of pervasive and continuing rumors among ZNPS site personnel between August and November 1982 that Bechtel either was on site or would be arriving to assist or replace Kaiser as the prime construction contractor. One individual acknowledged he may have contributed to these rumors by jokingly displaying his expired Bechtel badge on site and remarking that he was working for Bechtel. He also attributed the rumors to Bechtel employment applications being circulated on site and the appearance of a Bechtel job announcement in a Cincinnati, Ohio, newspaper in October 1982. Inquiries at Bechtel established that this recruitment effort pertained to positions with Bechtel at other nuclear projects and it did not involve the ZNPS. Various interviewees suggested that CG&E consultants at the site may have been erroneously identified as Bechtel personnel. This was attributed to the similarity between the consultants and the alleged Bechtel representatives in respect to the time period on site, wearing apparel and functions performed. Further, interviews disclosed several consultants were formerly employed by Bechtel and reportedly, at least one of them carried a briefcase with the Bechtel logo. During interviews, officials of the consulting firms declared they had been retained solely by CG&E, they had no affiliation with Bechtel and they did not share any reports or information with Bechtel.