

GOVERNMENT ACCOUNTABILITY PROJECT

Institute for Policy Studies

1901 Que Street, N.W., Washington, D.C. 20009

(202) 234-9382

February 28, 1983

Mr. Roger Fortuna
Office of Investigations
U.S. Nuclear Regulatory Commission
East-West Towers Building
Bethesda, Maryland

Dear Mr. Fortuna:

I am enclosing a copy of affidavits and supporting exhibits from two former workers at the Palo Verde nuclear plants for your consideration.

The Government Accountability Project (GAP) now represents these two individuals -- Mr. Robert Gunderson and Mr. Wallace Royce. We believe that the prior and ongoing investigations into these two men's allegations by Region V, Inspections and Enforcements (IE) and by Mr. Owen Shackleton of your office have been no more than facial reviews of the evidence. Further, we do not believe that the problems evidenced by these two former workers experiences have been adequately addressed.

Therefore, GAP is undertaking a preliminary investigation of workers allegations at the Palo Verde nuclear power plant. Ms. Lynne Bernabei, GAP's Staff Counsel, will be the supervising attorney of the Palo Verde investigation.

Of particular concern to GAP are the comments made to Mr. Royce by Mr. Shackleton that "although Mr. Royce was protected by federal law from retaliation for bringing these safety concerns to the NRC's attention, the NRC could do nothing to protect him against retaliation or harassment from his employer." We also understand from the evidence on the public record, as well as from other witnesses, that the investigation of Mr. Gunderson's charges was not in accordance with the NRC's investigation procedures. The licensee, the Arizona Public Service Company and its constructor, the Bechtel Corporation were informed of the allegations prior to the NRC site visit. This prior announcement of an upcoming investigation enabled the problems to be corrected before the NRC inspection/investigation effort. Although GAP generally agrees with correction of identified construction problems as early as possible it is unconscionable that workers who take great risks to identify hardware deficiencies and other construction problems are double-crossed by government officials in an effort to vindicate their own inadequate investigations and inspections, if that is indeed what happened.

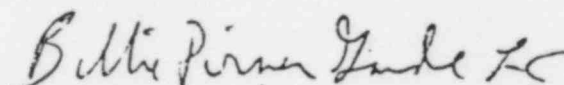
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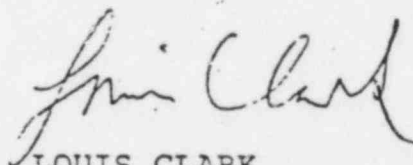
February 28, 1983

The Government Accountability Project (GAP) will be requesting an investigation of Region V's and Mr. Shackleton's handling of these two workers allegations specifically, as well as their general handling of inspections and investigations at San Onofre, Palo Verde, and Diablo Canyon. At the present time we are conducting our own review of public documents, IE reports, and contacting other workers within Region V who have had similar experiences with the NRC officials in that area. We will summarize our preliminary findings and forward them to your office in the near future, however, we appreciate the opportunity to bring these concerns to your attention immediately.

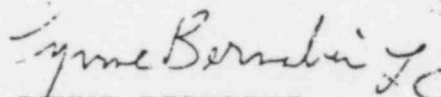
Sincerely,



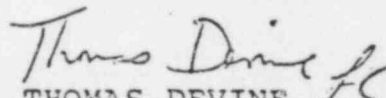
BILLIE PIRNER GARDE
Director, Citizens Clinic



LOUIS CLARK
Executive Director



LYNNE BERNABEI
Staff Counsel



THOMAS DEVINE
Legal Director

Enclosures

BPG/LC/LB/TD/bl



UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INVESTIGATIONS FIELD OFFICE, REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

March 29, 1983

MEMORANDUM FOR: Lee S. Dewey, Esq., ELD

FROM: Owen C. Shackleton Jr., Director, Office of
Investigations, Region V

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION (PVNGS) -
ALLEGATIONS OF CURRENT CONCERN TO THE ASLB IN OI
INVESTIGATIONS: 5-82-006, 5-82-009 AND 5-82-011

REFERENCE: Telecon between 7D and Shackleton on captioned
subjects on March 25, 1983

For your reference, the three cases with allegations on PVNGS OI has been investigating that are of immediate concern to the ASLB are identified below:

1. Case: 5-82-006
Title: PVNGS, Allegations Re: Postweld Heat Treatment on Piping
Status: Closed on January 19, 1983
2. Case: 5-82-009
Title: PVNGS, Allegations Re: Electrical and Other Construction
Items made by Robert D. GUNDERSON Jr.
Status: Open
3. Case: 5-82-011
Title: PVNGS, Allegations Re: Welding of Piping, Inspections by
NRC, etc.
Status: Open

Enclosed are copies of the following documents you requested:

1. Letter of Owen C. SHACKLETON Jr., Director, OI:RV, to 7D
dated January 13, 1983 (Case 5-82-011).

NOTE: 7D requested confidentiality from OI and it
was granted to him. Care must be taken not to disclose
his name to persons outside NRC personnel that have a need
to know.

2. GAP letter to Roger FORTUNA, OI:HQ, dated February 28, 1983
concerning GAP's representation of Messrs. Robert GUNDERSON and
Wallace ROYCE.

DO NOT DISCLOSE TO
UNAUTHORIZED PERSONS
CONTAINS IDENTITY OF
CONFIDENTIAL SOURCE(S)

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UNAUTHORIZED PERSONS
CONTAINS IDENTITY OF
CONFIDENTIAL SOURCE(S)


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NOTE: The allegations made by ROYCE were of a technical nature and were not investigated by OI. A special inspection was conducted by RV into ROYCE's allegations. Tolbert YOUNG Jr. is the Section Chief in RV over this matter (PTS 463-3853).

3. Affidavit of Robert D. GUNDERSON before the ASLB concerning PVNGS signed January 8, 1983 (Case 5-82-009).
4. Affidavit of Robert D. GUNDERSON before the ASLB concerning PVNGS signed May 17, 1982 (Case 5-82-009).
5. Affidavit of Wallace R. ROYCE before the ASLB concerning PVNGS signed February 25, 1983.
6. Resume of Wallace Ray ROYCE.
7. Bechtel memorandum from BUCHOLZ to ROYCE dated November 12, 1982.
8. Memorandum from ROYCE to BUCHOLZ dated November 14, 1982.
9. NRC RV Inspection Report No. 50-528/82-32.
10. U.S. Department of Labor letter to Bechtel Corporation Legal Department re. Wallace ROYCE vs. Bechtel Corporation dated December 20, 1982.


Owen C. Shackleton Jr., Director
Office of Investigations Field
Office, Region V

Enclosures (10)

bcc w/enclosures:
OI Matters

bcc w/o enclosures:
Case 5-82-006
5-82-009
5-82-011