

AFFIDAVIT OF RICHARD L. BALCOM

I, RICHARD L. BALCOM, being duly sworn, say as follows:

1. I am currently employed by Houston Lighting and Power Company as the Manager of Security at the South Texas Project Electric Generating Station (STPEGS).
2. At the time of the events described in this Affidavit, as part of my ordinary duties, I served as the Access Program Director (APD) for STPEGS. As APD, I had responsibility for determining whether personnel seeking unescorted access to STPEGS should be granted or denied access under the STPEGS Access Authorization program. The Access Authorization program is required by NRC regulations set forth in 10 CFR 73.56. These regulations are designed to assure that NRC nuclear power plant licensees provide unescorted access only to individuals who are "trustworthy and reliable, and do not constitute an unreasonable risk to the public health and safety, including a potential to commit radiological sabotage." In accordance with NRC regulations and guidance documents, the STPEGS Access Authorization program contains procedures and criteria for determining whether access should be granted or denied.
3. One specific responsibility of the APD is to "adjudicate" any cases in which a question as to an individual's trustworthiness or reliability arises. Information raising such a question may arise initially as a result of reference checks or data in an individual's access authorization paperwork, or may become known later based on a criminal history check or from other sources. In such cases, the APD evaluates the information to determine whether denial of site access is warranted.
4. On February 6, 1992, I performed an adjudication of the access authorization paperwork of Mr. Thomas J. Saporito, Jr. A credit check of Mr. Saporito had disclosed some credit problems, and Mr. Saporito's paperwork also showed an arrest, subsequently "discharged," in September 1990 for trespassing. The paperwork also noted that Mr. Saporito had been discharged from Florida Power & Light Company's Turkey Point nuclear plant "as a direct result of [his] participating in a NRC investigation of the Turkey Point Nuclear Plant." Upon evaluating these concerns, I concluded that the credit issues were not particularly large or unusual, and that the arrest alone, without a conviction, was not a sufficient basis for denial of access. With respect to the termination from FPL, while this seemed unusual, participating in an NRC

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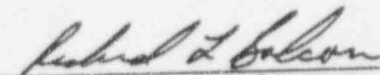
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investigation is not grounds for denial of access. Accordingly, I determined at that time that Mr. Saporito should not be denied unescorted access to STPEGS.

5. On or about February 12-14, 1992, I was informed by Mr. Warren Kinsey, Vice President-Nuclear Generation, that a petition had been filed pursuant to 10 CFR 2.206, and that Mr. William J. Jump had been assigned to investigate the matter raised by the petition. Shortly thereafter, I assigned one of my managers, Mr. Rex Moore, to investigate security-related concerns identified in the petition. I directed Mr. Moore to coordinate his efforts with Licensing personnel assigned by Mr. Jump. Thereafter, I did not participate in the investigation of those concerns (though I did attend one meeting at which plans for investigating each of the concerns in the petition were discussed). I was specifically instructed to keep the identity of the 2.206 petitioner confidential.
6. At approximately 12:00 noon on February 20, 1992, Mr. Watt Hinson, who reports to me, came to me and stated that he had been given some litigation records involving Mr. Saporito by Mr. Jump which Mr. Jump had asked him to review. Later in the afternoon, I met with Mr. Jump and Mr. Hinson to discuss the results of Mr. Hinson's review. Based on the information provided to me by Mr. Hinson, I concluded that, because there did appear to be omissions in Mr. Saporito's access authorization paperwork, more investigation was appropriate. Since I knew that Mr. Saporito had filed the 2.206 Petition, I was concerned that no inappropriate action be taken against Mr. Saporito. Accordingly, I asked Mr. Hinson (without referring to the fact that a 2.206 Petition had been filed) how this type of information had normally been handled in the past. He informed me that the normal course was to provide the individual with an opportunity to explain any apparent omissions or discrepancies. I then directed Mr. Hinson to interview Mr. Saporito to determine whether there might be a reasonable explanation for the apparent omissions in his paperwork. Neither I nor Mr. Jump informed Mr. Hinson that Mr. Saporito had filed a 2.206 petition.
7. At approximately 5:30 or 6:00 p.m. on February 20, 1992, I again met with Mr. Hinson and Mr. Jump. Mr. Rick Cink was also present. Mr. Hinson informed me that he had just completed an interview with Mr. Saporito, which was also witnessed by Mr. Cink. Mr. Hinson recounted that during the interview, Mr. Saporito confirmed that there were omissions from his access authorization paperwork relating to previous employment, termination from previous employment, and other matters. These omissions

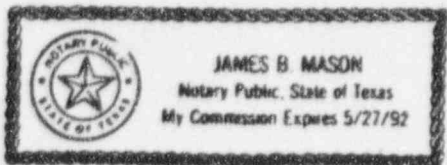
included several which were not apparent from Mr. Hinson's review of the litigation materials, and which Mr. Saporito did not admit to until closely questioned. I reviewed these omissions and noted that there were several which involved facts highly unfavorable to Mr. Saporito and which, had I known them at the time I performed his initial adjudication on February 6, 1992, would likely have led me to deny unescorted access to STPEGS. Based on these numerous omissions, I concluded that there was a systematic pattern of omission of adverse information indicating that the omissions were willful and that these omissions reflected adversely on Mr. Saporito's trustworthiness.

8. STPEGS Access Authorization procedures specifically list as a basis for access denial the willful omission or falsification of material facts on paperwork submitted in support of employment or access authorization. Based on the facts obtained during Mr. Hinson's interview, and in accordance with this procedure, I decided to revoke Mr. Saporito's access to STPEGS, and directed Mr. Hinson to have this accomplished. This decision was made by me acting only upon the advice of Mr. Hinson. Mr. Jump and Mr. Cink, though present, did not counsel me as to whether or not Mr. Saporito's access should be continued or revoked. During this meeting, no discussion relating to Mr. Saporito's 10 CFR § 2.206 petition or any other safety allegations by him took place.
9. On March 4, 1992, in response to a request made by Mr. Saporito during an exit interview, I mailed a letter to him describing the basis for the denial of his access authorization. A copy of that letter is attached as Exhibit A to this affidavit.


Richard L. Balcom
Manager of Security

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Subscribed and sworn to before me, a Notary Public in and for
the State of Texas, this 2 day of APRIL, 1992.



James B. Mason
Notary Public in and for
the State of Texas

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