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June 19, 1984

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Chairman Nunzio J. Palladino
United States Nuclear Regulatory Commission
Washington, D. C. 20555

Re: Metropolitan Edison Company (Three Mile
Island Nuclear Generating Station, Unit No. 1)
Docket No. 50-289SP (Restart)

Dear Mr. Chairman:

As counsel for James R. Floyd, who has previously been identified in the TMI-1 restart proceedings as "VV", we hereby waive any further confidentiality of Mr. Floyd, in light of the indictment of him returned yesterday in Harrisburg. As the indictment does not identify any other individual, confidentiality of the individual denominated "O" should be maintained.

Mr. Blake has kindly agreed to distribute this letter with a Board notification of the indictment.

Very truly yours,

Michael F. McBride

Michael F. McBride
Attorney for O and
James R. Floyd

MFm:yl

cc: All Commissioners
All Persons on TMI-1 Service List

6406200365 840619
PDR ADOCK 05000289
PDR

JJW:nm

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA

vs.

JAMES R. FLOYD

)
)
)
)
)

CRIMINAL NO.

VIO: 18 U.S.C. § 1001

I N D I C T M E N T

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

1. The Nuclear Regulatory Commission (hereinafter NRC) was an agency of the United States of America and was responsible for regulation of nuclear power plants in the United States of America.

2. The NRC administered and enforced the Atomic Energy Act, Title 42, United States Code, §§ 2011 et seq., and regulations established thereunder, contained in Title 10, Code of Federal Regulations, Chapter 1.

3. The Atomic Energy Act, Title 42, United States Code, § 2133, authorized the NRC to issue licenses to build, possess and use a commercial nuclear power plant and to prohibit the operation

of any such plant except under and in accordance with a valid license.

4. The Atomic Energy Act, Title 42, United States Code, § 2137, required the NRC to "prescribe uniform conditions for licensing individuals as operators of any of the various classes of production and utilization facilities" and "to determine the qualifications of such individuals."

5. Under the Code of Federal Regulations, 10 C.F.R., Part 50.54, as a condition of maintaining a license to operate a commercial utilization facility (such as a nuclear power station) a licensee must have "in effect an operator regualification program which shall, at a minimun, meet the requirements of Appendix A of Part 55." The express stated purpose of this regualification program is to ensure that operators maintain competence, particularly to respond to abnormal and emergency situations.

6. The operator regualification program required by 10 C.F.R., Part 55, Appendix A requires, in pertinent part, that the program contain a continuous series of pre-planned lectures on the safe operation of a nuclear reactor; that annual and periodic written examinations be administered to the operators to determine their knowledge of the subjects covered by the regualification program and their need for retraining in particular areas; and that records of the written examinations administered and the

answers given by the operators be maintained for review and audit by the NRC.

7. An NRC operator license is issued for a period of two (2) years and can only be renewed if the operator in question has satisfactorily completed a requalification program, such as outlined above, for that particular facility. See, 10 C.F.R., Part 55.32 and 55.33.

8. The commercial licensee for the Three Mile Island Nuclear Station, Metropolitan Edison Company, complied with the NRC requirement that its Three Mile Island Nuclear Station have an operator requalification program by promulgating, with NRC approval, Three Mile Island Nuclear Station Administrative Procedure 1006.

9. The defendant, JAMES R. FLOYD, was Supervisor of Operations for Three Mile Island Nuclear Station Unit II and held a Senior Reactor Operators license for both units at the Three Mile Island Nuclear Station entitling him to manipulate the controls of the reactors and to supervise other individuals manipulating the controls of the reactors.

10. The defendant, JAMES R. FLOYD, was subject to the terms, conditions and requirements of the statutory and regulatory scheme outlined above dealing with the satisfactory completion of an operator requalification program.

11. The defendant, JAMES R. FLOYD, engaged in a pattern of criminal conduct whereby he would cheat on written examinations administered as part of the Three Mile Island Nuclear Station requalification program by having another senior reactor operator take and provide the answers to questions contained on requalification examinations and quizzes which the defendant, JAMES R. FLOYD, would then submit to the training department and represent as his own.

COUNT I

THE GRAND JURY FURTHER CHARGES:

1. Paragraphs 1 through 11 of this Indictment are hereby realleged and incorporated as though restated in full herein.

2. On or about the 2nd day of July, 1979, in the Middle District of Pennsylvania, the defendant,

JAMES R. FLOYD

in a matter within the jurisdiction of the United States Nuclear Regulatory Commission, an agency of the United States, did knowingly and wilfully make and use a false writing knowing the same to contain material false, fictitious and fraudulent statements and entries, that is, as part of the operator regualification program the defendant submitted as his own work an examination on principles of reactor theory, when in truth and fact, such examination did not represent the defendant's own work, but rather had been substantially done and prepared by another.

All in violation of Title 18, United States Code, Sections 1001 and 2.

COUNT II

THE GRAND JURY FURTHER CHARGES:

1. Paragraphs 1 through 11 of this Indictment are hereby realleged and incorporated as though restated in full herein.

2. On or about the 2nd day of July, 1979, in the Middle District of Pennsylvania, the defendant,

JAMES R. FLOYD

in a matter within the jurisdiction of the United States Nuclear Regulatory Commission, an agency of the United States, did knowingly and wilfully make and use a false writing knowing the same to contain material false, fictitious and fraudulent statements and entries, that is, as part of the operator requalification program the defendant submitted as his own work an examination on fuel handling and core perimeters, when in truth and fact, such examination did not represent the defendant's own work, but rather had been substantially done and prepared by another.

All in violation of Title 18, United States Code, Sections 1001 and 2.

COUNT III

THE GRAND JURY FURTHER CHARGES:

1. Paragraphs 1 through 11 of this Indictment are hereby realleged and incorporated as though restated in full herein.

2. On or about the 3rd day of August, 1979, in the Middle District of Pennsylvania, the defendant,

JAMES R. FLOYD

in a matter within the jurisdiction of the United States Nuclear Regulatory Commission, an agency of the United States, did knowingly and wilfully make and cause to be made a false, fictitious and fraudulent statement and representation of a material fact, that is, the defendant caused a letter to be sent to the United States Nuclear Regulatory Commission, Office of Nuclear Reactor Regulation, which stated that the defendant had achieved a score of 89.1% on a requalification program test dealing with principles of reactor theory, when in truth and fact the defendant had cheated on this particular examination and submitted the work of another as his own and, accordingly, had not legitimately obtained the stated grade.

All in violation of Title 18, United States Code, Sections 1001 and 2.

COUNT IV

THE GRAND JURY FURTHER CHARGES:

1. Paragraphs 1 through 11 of this Indictment are hereby realleged and incorporated as though restated in full herein.
2. On or about the 15th day of November, 1979, in the Middle District of Pennsylvania, the defendant,

JAMES R. FLOYD

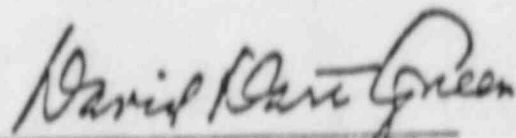
in a matter within the jurisdiction of the United States Nuclear Regulatory Commission, an agency of the United States, did knowingly and wilfully make and cause to be made a false, fictitious and fraudulent statement and representation of a material fact, that is, the defendant represented to the Nuclear Regulatory Commission, Office of Nuclear Reactor Regulation, that during the previous term of his Senior Reactor Operators license he had satisfactorily completed the Metropolitan Edison Company operator requalification program, when in truth and fact he had cheated during portions of said program by submitting, as his own work written examinations in the areas of emergency procedures, principles of reactor theory and fuel handling and core perimeters which, in truth and fact, had been done by another.

All in violation of Title 18, United States Code, Sections 1001 and 2.

A TRUE BILL

FOREPERSON

DATE: _____



UNITED STATES ATTORNEY



*United States Attorney
Middle District of Pennsylvania*

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Post Office Box 793
Harrisburg, Pennsylvania 17108*

*717/782-4482
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June 18, 1984

P R E S S R E L E A S E

David Dart Queen, United States Attorney for the Middle District of Pennsylvania, announced today (June 18, 1984) that a federal grand jury sitting in Harrisburg, Pennsylvania, had approved a four count indictment charging James Floyd, the former Supervisor of Operations at Unit 2 of the Three Mile Island Nuclear Generating Station with four counts of making false statements arising out of Nuclear Regulatory Commission Operator Requalification Examinations submitted in July of 1979.

The indictment was handed up by the Grand Jury on June 15, 1984, but ordered sealed by the court until today.

James Floyd, age 47, of P.O. Box 268, Elizabethtown, Pennsylvania, was Supervisor of Operations at Unit 2 from unit start up through August of 1979 and remained in the employee of Metropolitan Edison Company until April, 1983. As Supervisor of Operations Floyd was the superior of all reactor operators assigned to Unit 2 including all shift supervisors working on that Unit.

Queen indicated that the indictment is based upon Nuclear Regulatory Commission regulations that require individuals who are

licensed to manipulate the controls of nuclear reactors to participate in a by-yearly requalification program and take a series of written requalification examinations which are maintained for inspection and audit by the Nuclear Regulatory Commission Licensing Division. The indictment charges that James Floyd, during the course of attempting to requalify as a Senior Reactor Operator in 1979, had another licensed operator complete portions of the required written examinations in three specific areas -- (1) emergency procedures, (2) principles of reactor theory and (3) fuel handling. The indictment further charges that these examinations were then submitted by Floyd as his own work and that Floyd's grade of 89.1% on the reactor theory examination was eventually reported to the Nuclear Regulatory Commission in August of 1979. In November of 1979 Floyd applied for reissuance of his Senior Reactor Operator License and specifically stated that he had successfully completed the requalification program. The indictment charges that these representations were also false statements submitted to the NRC.

Queen indicated that if convicted Floyd was subject to imprisonment of not more than five (5) years and fines of not more than \$10,000.00, or both, as to each of the four charged counts. The case is assigned to First Assistant United States Attorney James J. Vest.