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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DOCKETED
USNRC

Before the Commission

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OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

In the Matter of)

LONG ISLAND LIGHTING COMPANY)

(Shoreham Nuclear Power Station,
Unit 1))

Docket No. 50-322-OL

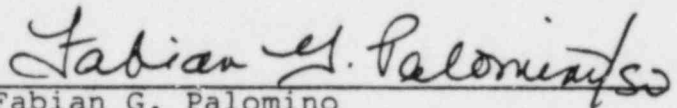
MOTION OF NEW YORK STATE AND
SUFFOLK COUNTY FOR IMMEDIATE INVESTIGATION
OF ALLEGATIONS CONTAINED IN "60 MINUTES" BROADCAST

Enclosed please find a transcript of the television broadcast of CBS' 60 Minutes of Sunday, March 24, 1985. The content of this transcript includes serious allegations concerning the presence and influence of organized crime at the Shoreham Nuclear Power Plant site during construction of the plant. The implications of these allegations on the safety and security of the Shoreham plant are self-evident.

New York State and Suffolk County hereby move that the NRC immediately take the actions necessary to investigate fully the matters brought to light by 60 Minutes. As governments mandated by law to protect the well-being of their constituents, the State and County request the right to participate with the NRC in framing a protocol that will ensure the completeness and independence of the NRC's investigation.

The State and County further move that these matters be given first priority, and that the NRC hold in abeyance any consideration of issues related to the licensing or operation of Shoreham pending the completion and public scrutiny of the NRC's investigation.

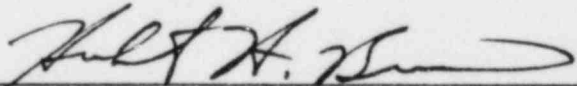
Respectfully submitted,



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March 27, 1985



Dear Editor:

Listed below are the segments to be broadcast on CBS News' 60 MINUTES, this Sunday, March 24, 1985 (7:00-8:00 PM, ET) on the CBS Television Network.

SHOREHAM -- Co-editor Ed Bradley investigates the alleged connection of organized crime to the building of a billion-dollar nuclear power plant near N.Y.C. Monika Jensen is the producer.

PLAIN TALK FROM PLAINS -- Co-editor Mike Wallace's exclusive interview with former President Jimmy Carter at his Plains, Georgia home. Ira Rosen is the producer.

SOMEBODY OUGHT TO DO SOMETHING... -- Co-editor Harry Reasoner reports on a nursing home near Pittsburgh still operating despite serious questions about conditions there. Elliot Bernstein is the producer.

Please note that all transcripts are embargoed until 7:00 PM, ET on Sunday. Permission to reprint more than 250 words must be granted by CBS News.

CONTACT: CBS News Communications
(212) 975-2196

March 21, 1985

60 MINUTES

"NUCLEAR PLANT"

VOL. XVII, No. 28

FINAL -- 3/24/85

GEORGE HENRY:

The Teamsters ran one whole side of the plant. we used to call it the Teamster area or the west end of the plant and to do inspections in that area you would, you were required to make an appointment, give a phone call and let them know when you would be coming up to that area.

BRADLEY:

George Henry was a quality control inspector for two years at the Shoreham Nuclear Plant. His job was to see to it that the safety systems of the nuclear reactor, the systems designed to protect both workers in the plant and the general public once the plant was in operation, were constructed according to the regulations of the Nuclear Regulatory Commission. Henry told us what he has told the county legislature and the FBI, that he and his fellow inspectors were often unable to do their job properly because of the power of the union.

GEORGE HENRY:

We had several situations where they would just throw down their tools and walk off the job or get extremely indignant.

BRADLEY:

Jock McCrystal's job at Shoreham was to make sure the right parts and materials were used in a particular phase of construction. Often, he says, workers substituted the wrong materials without authorization. And, as he told the Nuclear Regulatory Commission, there was outright sabotage of perfectly good work.

Sabotage of work?

JOCK MCCRYSTAL:

Absolutely. How that would occur would be, you and I are a gang, a steamfitter gang, two men make up a gang okay. Our assignment is to put in a guage. All right? Any kind of guage. One of us goes off and gets the quality control inspector. The other guy gets to lollygag around. Now if a quality control inspector doesn't show up for five hours, you're still making \$19 dollars an hour. Right, no problem. Meanwhile you sit

JOCK McCRYSTAL:

around. That's one of the reasons why that plant cost so much. Okay, the quality control inspector shows up, he does his thirty second bit, he gives it a visual inspection, maybe he measures the size of the weld bead, he says okay, he signs off on it, and he leaves. In the process of gathering up your tools you look around, you take your chipping hammer, you whack the glass on the front of the gauge, it's no longer calibrated correctly because the seal's been broken, and the next shift gets to cut it out and another shift gets to put it in. More work for you, more work for the next guy.

BRADLEY:

Same job done twice?

JOCK McCRYSTAL:

Same job done four and five times sometimes. I mean that, you know, there's no reason but absolute union control for the fact that the job went on for fifteen years.

BRADLEY:

Both McCrystal and Henry say they witnessed theft at the plant. The first time Henry saw a large piece of equipment disappear into a waiting truck outside the Shoreham fence, he couldn't believe it.

GEORGE HENRY:

I happened to witness a cement mixer in mid air and I thought this was kind of, this was kind of strange at the vantage point that I had at the time in the plant. so I had to walk around the other side of the building and sure enough, the cement mixer was in the air. it was hanging on the end of a crane and it was being hoisted over the outside perimeter of the chain link fencing of the plant.

BRADLEY:

Did you see theft there?

JOCK McCRYSTAL:

Oh absolutely. I mean theft was so organized that sometimes two and three different unions were involved.

BRADLEY:

McCrystal told us theft wasn't the only problem

JOCK McCRYSTAL:

There were problems with the way they did testing, there were problems with the worker qualifications. Many times. I mean there were people in charge who didn't graduate out of high school, who were in charge of the class one nuclear safety systems. People who were on hard drugs as inspectors.

BRADLEY:

Hard drugs?

JOCK McCRYSTAL:

Hard drugs, needle drugs. I mean you want me to say it that way? Needle drugs. Guys who were out of Vietnam, who were being junkies over there, came back here. you gotta remember. Shoreham is the largest work site in the history of New York State. The unions controlled the whole place. They put their, you know, if they had a guy who needed a year to go on his retirement, put him into Shoreham and let him coast. They had a guy that was in trouble, he was onto drugs and he might fall off a building here in New York? Put him in Shoreham, let him stare at the water. That was the way it was. And that's the way the plant was built

BRADLEY:

These were things you saw with your own eyes?

JOCK McCRYSTAL:

Yes sir.

BRADLEY:

Can the stories Henry and McCrystal told us and which they have told to federal and state authorities, can their stories of union control and corruption be believed? Lieutenant Remo Francesini of the New York City Police Department thinks so.

Who actually ran the show at Shoreham?

LT. REMO FRANCESINI:

I would say the unions actually ran the show at Shoreham.

BRADLEY:

And the unions were controlled by?

LT. REMO FRANCESINI:

In many instances by organized crime.

BRADLEY:

Unions involved in the construction of a nuclear power plant controlled by organized crime? Absolutely, says Lieutenant Francesini. His police unit tracks organized crime in the New York metropolitan area.

LT. REMO FRANCESINI:

I think they have a great influence in the construction business. They pack the unions with their own people and eventually they take over the unions by sheer numbers and then through intimidation and threats. It's very difficult to fight them in a union situation.

BRADLEY:

Who controlled the unions at the Shoreman construction site?

LT. REMO FRANCESINI:

The laborers union had great influence from the Luchese crime family. Indirectly Luchese crime family controlled many of those laborers out in Shoreham and the people that really produce the supplies there the Teamsters Union. was controlled by the Gambino crime family.

BRADLEY:

Is there any doubt in your mind but that organized crime had their hands in the construction of that plant and took money out of it?

LT. REMO FRANCESINI:

There's no doubt in my mind.

BRADLEY:

The Shoreham plant in Suffolk County, a four billion dollar cost overrun, how much of that can be attributed to the mob?

LT. REMO FRANCESINI:

I would say millions, for the simple reason that was a very long endeavor, you know, by a builder and by builders. It's a perfect pork barrel for organized crime to reap money out of that systematically over the years, on no-show jobs, on kick backs, on, be able to get rid of stolen merchandise that they come into.

BRADLEY:

Did the Nuclear Regulatory Commission know about the role of organized crime in some of the unions at Shoreham? They should have if they had followed the trial of this man, Dan Cunningham, now serving a prison

BRADLEY: (continued)

term for labor racketeering. Cunningham owned, that's the only word for it, he owned the security guards union that provided guards for Shoreham. Ken McCallion was a special prosecutor with the Organized Crime Unit of the Justice Department. He handled Cunningham's trial.

KEN McCALLION:

Well I believe it's a matter of public record that Daniel Cunningham purchased the union for a sum of money from the former president of the Allied International Union of security guards and special police. It's also been documented that that union has been controlled by organized crime from the time of its inception in the late 1960's. While Daniel Cunningham was president of the union, there were never any elections held, he had bought the union and he used the union to maximize his return on his particular investment.

BRADLEY:

Cunningham's control of the security guards union enabled him to cut sweetheart deals with the people and hired his members

KEN McCALLION:

Cunningham was in a position in negotiating union contracts and fringe benefits where he had a fair amount of discretion and obviously an employers profits to a large extent are determined by the, by the union contract. So Mr. Cunningham had substantial leverage over really any employer.

BRADLEY:

That control over the security guards, law enforcement officials say, is what got the guards to look the other way when equipment was stolen under their noses. But what about the deficiencies reported by inspectors to the Long Island Lighting Company? They were supposed to be passed onto the NRC and the deficiencies corrected. But Henry told us that instead his superiors would tell him to rewrite the reports and that when work didn't live up to required standards the standards would be lowered. He told us about one major problem, a diesel generator that was to take over in a power failure to prevent a meltdown in the reactor core.

One day a diesel broke?

GEORGE HENRY:

Yes.

BRADLEY:

The crank shaft broke?

GEORGE HENRY:

Yes, the crank shaft severed in two.

BRADLEY:

And now this was, you had warned that there may be a problem here?

GEORGE HENRY:

Myself and several other inspectors had written numerous. I'm talking about hundreds of deficiency reports on the diesel generators a year and a half to two years, or even further back, but nothing was, no scrutiny was given to these reports.

BRADLEY:

But when it did happen, your superiors had to say, George, you were right?

GEORGE HENRY:

You would think they would say that. I was suspended

BRADLEY:

Suspended?

GEORGE HENRY:

I was suspended the next working day, yes.

BRADLEY:

Why?

GEORGE HENRY:

It was quite obvious that they didn't want me around any longer to see the fix or whatever they were going to do with the dilapidated diesel at this point. So I was escorted off the site by the security force.

JOCK McCRYSTAL:

If you testified, if you came forward, you were immediately ostracized, and if not ostracized outright threatened. I mean I had all kinds of overt threats and actual things happen to me, things dropped out of the sky, a bucket of bolts one day. The next day a ladder fell next to me. That was it, I mean, three strikes I might have been out. So I left.

BRADLEY:

Local law enforcement officials told us they knew of no illegal or unsafe activities during the 15 years the plant was under construction. How could that be? Well the site was and still is private property. Only LILCO

BRADLEY: (continued)

and the NRC have the right to enter to make inspections or to give others permission to do so. So we asked them to give us a look and to answer some questions, questions that had been raised not just by us but by the Governor of New York, by Suffolk County officials, and by people who live in this area. The NRC said they couldn't talk with us because they're involved in judging the plant. However, it should be pointed out that there are no regulations that prohibit them from talking with us. And LILCO said they wouldn't permit us on the site, and they also said that it wouldn't be beneficial for them to grant our request for an interview.

But it's not just 60 MINUTES that can't get into the plant. Neither can local government officials. Wayne Prospect is a member of the Suffolk County Legislature.

WAYNE PROSPECT:

*The county attempted to have an independent inspection of the Shoreham Nuclear Power Plant. We made pleas to the Long Island Lighting Company. As a matter of fact

WAYNE PROSPECT: (cont'd)

the county did the unprecedented thing when they appropriated three million dollars for the express purpose of hiring an independent group of engineering experts to go out to Shoreham, but again LILCO said no.

BRADLEY:

Prospect initially wanted the inspection of Shoreham because county cement inspectors had told him that the concrete used in the reactor containment building might be no good, and who was in charge of deliveries of concrete at Shoreham? John Cody, the head of the Teamsters Local and an associate of the Gambino and Luchese crime families who is now serving a five year prison term for labor racketeering. At Cody's trial it was revealed that, in general, if he didn't get a kickback from contractors, they wouldn't be able to deliver concrete. And who did get that concrete job at Shoreham? In some cases the same contractors who had earlier supplied defective concrete for the county sewer system.

New York Governor Mario Cuomo thinks Shoreham is unsafe and has had as little success as we have in getting the LILCO records to find out if that is indeed the case.

GOV. CUOMO:

I am the Governor of this state, we have nearly 18 million people. You're supposed to take care of the health and welfare of your people. Here is this enormous threat to our people and I don't have a veto power over it. And I went to Washington, I said that's wrong. I said you people under President Reagan believe in the New Federalism, you're always talking about state's rights, you're always talking about giving us the responsibility. I'll take it. Give me, the Governor of the State of New York, the responsibility to deal with this plant and I'll, I'll handle it. They won't do it.

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LONG ISLAND LIGHTING COMPANY)

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Unit 1))

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Docket No. 50-322-OL

CERTIFICATE OF SERVICE

I hereby certify that copies of Motion of New York State and Suffolk County for Immediate Investigation of Allegations Contained in "60 Minutes" Broadcast have been served on the following this 28th day of March 1985, by U.S. mail, first class, except as otherwise noted.

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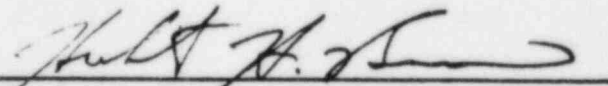
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DATE: March 28, 1985

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