

REGION V

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IE Inspection Report No. 76-02

Licensee: Nuclear Engineering Company, Inc. Docket No. 27-10  
9200 Shelbyville Road License No. 4-3766-1  
Louisville, Kentucky Priority 2

Facility: Land Burial Site Category 0

Location: Beatty, Nevada

Type of Facility: Land Burial of Radioactive Material

Type of Inspection: Special

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Dates of Inspection: March 9 to April 15, 1976

Dates of Previous Inspection: February 3, 1976

Principal Inspector: F. A. Wenslawski  
F. A. Wenslawski

5/10/76  
Date

Accompanying Inspectors: A. E. Book, for  
G. A. Phillip

5/11/76  
Date

H. S. North

5/10/76  
Date

Other Individuals Involved: W. C. Horton, State of Nevada  
R. S. Trounaday, State of Nevada  
J. J. Ward, NRC  
P. R. Zurakowski, NRC  
R. F. Fish, NRC  
J. R. Curtis, NRC  
R. H. Smith, NRC

Reviewed by: H. E. Book  
H. E. Book, Chief, Fuel Facility and Materials  
Safety Branch

5/11/76  
Date

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## I. Introduction

On March 9, 1976 the Region V Office of Inspection and Enforcement (IE:V) dispatched an inspector to Nuclear Engineering Company's (NECO) Beatty, Nevada waste disposal site in response to information that radioactive materials had been removed from the site. In cooperation with State officials, information was quickly gathered indicating an extensive removal of radioactive materials from the disposal site. The ensuing events included a comprehensive radiation survey and recovery operation in the town of Beatty and neighboring ranches as well as detailed investigations to determine the circumstances and details of the situation.

## II. Background

The NECO facility near Beatty, Nevada was licensed to receive and dispose of low level radioactive waste in 1962 by the former Atomic Energy Commission. In 1972 the State of Nevada became an AEC agreement state and assumed responsibility for licensing and inspecting of NECO's activities involving source and byproduct materials. Natural occurring radioactive materials (such as radium) not subject to regulation by the AEC were also included in the State's regulatory program. Activities involving special nuclear material remained under the jurisdiction of AEC. As a result, since 1972 the facility has operated under licenses from both the State and the AEC (now NRC).

Material shipped for disposal at the NECO facility came from a wide variety of users of radioactive materials including military, medical, industrial and research facilities. Although contaminated demineralizer resins and liquid waste were shipped to the facility for disposal, a large quantity of the material arriving at the NECO site consisted of equipment that became contaminated during usage involving radioactive materials. This equipment consists of items such as protective clothing, tools, laboratory equipment and instruments, electric motors, piping, wiring and other miscellaneous paraphernalia. Generally, the level of contamination on most of the material is low. The potential, however, for more significant levels of contamination with proportionally increased hazards is real. In the specific instance of the Beatty disposal site, it is known through discussions with NECO site employee's [REDACTED] that in addition to the type of items described above, thousands of radium dial clocks, watches, compasses, assorted gages and other similar obsolete military equipment were received at the site for disposal over the years.

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The conditions revealed by the NRC investigation were unusual, to say the least. We believe the unique characteristics of the area, its remote location, and the life style and backgrounds of the surrounding residents were all contributing factors in the overall situation. The following background information is intended to add some perspective.

Beatty, Nevada is a small desert crossroads town of approximately 500 people located about 125 miles north of Las Vegas on U.S. Route 95 and about 10 miles north of the NECO disposal site. The area is bordered on the west by the Death Valley National Monument and on the east by the Energy Research and Development Administration's Nevada Test Site (NTS). There are about 280 dwellings, schools, ranches, motels and other businesses in and around Beatty. Several of the ranches are quite large. Most of the residences are mobile homes and trailers. Employment in the town generally comes from the Nevada Test Site, tourist related businesses such as motels and restaurants, mining operations and the waste burial facility operated by NECO. The NECO facility recently employed seven individuals but has employed as many as 15 depending on the workload. Many residents of Beatty are former NECO employees or relatives or friends of employees or former employees.

Because of the difficulty and cost of obtaining new materials in such a remote location, the people of Beatty appear reluctant to part with any item that may have salvage value. As a result, it was observed that many Beatty residences and neighboring ranches have accumulated stockpiles of a wide variety of salvage including lumber, tires, automobiles, appliances and many other things that might be useful at some later time.

The proximity of the Nevada Test Site and the frequent underground nuclear tests are of little apparent concern to the Beatty residents. The town experiences a ground shock with most tests. Prior to each test, officials from the Nevada Test Site tour the area to warn residents of the upcoming test. This is all taken with little or no apprehension.

As a result of the long-time familiarity with nuclear energy and the association with employees or friends and relatives of employees with the NECO facility, operation of the NECO facility has encountered little, if any, opposition or concern from the townspeople.

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### III. Summary Scope of Events

During the approximate period of early February 1976 [REDACTED] at the NECO Beatty facility noticed that the company's stockpile of bagged cement was diminishing unproportionally to the quantity of liquid waste being solidified. Upon investigating, [REDACTED] discovered that other NECO employees had been using the company cement mixing truck and materials to pour concrete on several different jobs in the town of Beatty. Since the truck was used onsite to solidify liquid radioactive waste, the truck was considered contaminated and should not have been used offsite. The [REDACTED] reported the matter to [REDACTED]. After further internal investigations NECO reported the matter to appropriate officials of the State of Nevada, since the liquid waste solidifications are conducted under the State of Nevada license. On February 24, 1976 the State notified NRC that it was investigating the report from NECO. During the State's investigation of the cement mixer occurrence, it was discovered that other materials had been removed from the site in past years and were distributed in the town of Beatty. The State of Nevada issued an order (Attachment A) on March 8, suspending the company's license, thereby halting all State-licensed operations at the facility. The State also requested radiological assistance from the Environmental Protection Agency's (EPA) Las Vegas facilities to help locate radioactively contaminated materials in the town of Beatty.

Upon notification by the State that it had reports of removal of radioactive items from the NECO facility, the NRC Region V office dispatched a radiation specialist inspector to Beatty on March 9, 1976 to determine if any of the allegations involved the Federal license. Since the NRC license authorizes only operations involving special nuclear materials, there were no specific allegations or evidence at that time that the NRC license had been violated. On the afternoon of March 9, the NRC inspector met with [REDACTED] and [REDACTED] at the NECO facility. The inspector was informed that the [REDACTED] and two other former employees [REDACTED] had been discharged from the company for involvement in the cement mixer occurrence. Neither [REDACTED] or [REDACTED] were aware of any specific allegations of removal of materials from the site other than the cement mixer. It should be noted that [REDACTED] had reported to the site the same day and the [REDACTED] had been employed for about one year. They informed the inspector that State officials were scheduled to be at the site on the morning of March 10. They also confirmed NRC's understanding that NECO had ceased all operations associated with the Beatty site including SNM operations. This understanding was reaffirmed in a letter issued by the NRC Region V office to the company on March 10.

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On the early morning of March 10, at the NECO site, the NRC inspector met with R. Trounaday, Director, Department of Human Resources, State of Nevada and W. Horton, Supervisor, Radiological Health, State of Nevada and was informed in more detail of the allegation received by the State and of the State's intention to conduct radiation surveys in the town of Beatty. The State had also scheduled a 10:30 a.m. meeting with EPA which the inspector attended. The course of action established during the meeting with EPA was to conduct a house by house and lot by lot radiation survey in the town of Beatty and outlying ranches with particular attention to any items or materials which conceivably may have come from the NECO site, e.g., tools, electric motors, laboratory equipment, etc. The State had previously arranged for the legal authority for the survey as illustrated by Attachment B. It was also agreed that more specific information on the basic allegation of offsite removal of materials was needed.

During the afternoon of March 10, while EPA began under the general direction of the State, detailed surveys of private residences, the NRC inspector and Mr. W. Horton of the State jointly interviewed [REDACTED] who have been employed at the NECO site for seven and ten years, respectively. During this interview, both individuals disclosed that in years past the opening of containers received at the NECO site was a common practice and materials originally destined for waste were removed from the site in large quantities. Both individuals stated that once a container was opened, the contents were spread out and there existed a "take what you want" policy. [REDACTED] also stated that materials from the site had also been sold for profit. Both individuals said that most offsite removal of materials occurred during the time period of early 1967 to early 1973 while [REDACTED]. Both individuals stated that in addition to the town of Beatty, material was distributed to neighboring ranches and possibly to more distant locations as Pahrump, Indian Springs and Fallon, Nevada and possibly to some locations in California. Material stated to be removed from the site included large quantities of plywood originally used as shipping containers; tools of all kinds, many identified by magenta paint markings and the inscription "CTR"; electric motors; "Bennett Buckets" which are 6 foot diameter, 7 foot high carbon steel shipping containers used by Lawrence Livermore Laboratory (LLL) and Lawrence Berkeley Laboratory (LBL); radium dial clocks, compasses and gauges and various other assorted equipment. Both individuals indicated that only minimal radiation surveys were performed on materials removed from the site. The survey results were not documented nor was any record made of the transfers.

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By the evening of Wednesday, March 10, information gathered during interviews with [REDACTED] and initial EPA radiation survey results pointed to the widespread removal of contaminated equipment and materials from the NECO facility.

On March 11, 1976 NRC issued an order to NECO suspending NRC licensed activities at the Beatty facility (Attachment C). In addition, NRC requested radiological assistance from the Energy Research and Development Administration (ERDA) to assist in the comprehensive radiation surveys already initiated in the town of Beatty. An NRC investigator was dispatched to Beatty to begin detailed investigations. An additional NRC IE:V radiation specialist inspector was also dispatched to lend assistance. Other NRC personnel were dispatched to NRC licensed waste disposal sites at Richland, Washington; Barnwell, South Carolina; and Sheffield, Illinois to assure a similar problem did not exist at those locations. No adverse findings were disclosed at those locations. Since the Richland inspection was conducted under the auspices of NRC, IE:V, more details of that inspection are contained in paragraph V.H. Because the State of Kentucky has sole jurisdiction over a waste disposal site in Morehead, Kentucky, the State was notified of the Beatty situation to allow independent action concerning the Morehead site.

On the afternoon of March 11 the NRC inspector at Beatty met with ERDA representatives to brief them on the scope of the problem. By Friday morning, March 12, ERDA had responded with additional manpower and equipment. Comprehensive surveying and investigation continued through Sunday, March 14. Also on Sunday, H. E. Book, Chief, Fuel Facilities and Materials Safety Branch, IE:V and R. H. Engelken, Director of IE:V arrived in Beatty. Both individuals were briefed on the latest status of events and toured various places where materials had been located. A meeting was held with State and EPA officials and another with ERDA officials to summarize findings to date and to agree upon followup activities. By late Sunday afternoon, the bulk of the survey and recovery effort was complete, although various "loose ends" necessitated continued efforts.

On Monday, March 15, after completion of the immediate action phase of the operation, NRC, NECO, and EPA representatives met with the Governor of Nevada and other State officials to hold a debriefing. The Governor was well informed about the entire episode and expressed his concerns and initial inclinations. No formal conclusions were reached at the meeting pending continued investigations and surveys. A joint State/NRC press conference was held after the meeting. Additional investigations and surveys continued through the period of March 16 through 26 in Beatty, Indian Springs, Pahrump and Fallon, Nevada and Richland, Washington. Whole body counting and bioassay analysis were also coordinated and conducted during this period on individuals who might have come into the closest and most frequent contact with contaminated items.

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#### IV Enforcement Action

As a result of the special inspection of matters described in this report, the following specific items of noncompliance with NRC regulations have been identified:

- A. License Condition 10 prohibits the removal of radioactive waste from shipping containers under certain specified conditions, and limits use of waste radioactive materials to receipt, processing, packaging, storage and disposal of special nuclear material.

Contrary to this requirement, various items contaminated with special nuclear materials, including a beam balance, laboratory scale weights, a section of plywood, two mixing devices, and a chain hoist and hoist support were removed from radioactive waste shipping containers, salvaged, transferred to others, diverted to personal use by employees or diverted to regular use by the licensee.

- B. License Condition 17A requires that radioactive waste material shall be disposed of by burial in soil within six months from the date of receipt of the radioactive material.

Contrary to this requirement, various items contaminated with special nuclear materials, including a beam balance, laboratory scale weights, a section of plywood, two mixing devices, and a chain hoist and hoist support were not disposed by burial within the six-month limit.

- C. License Condition 17E specifies that there shall be no disposal of uncontained radioactive waste.

Contrary to this requirement, uncontained radioactive waste was dumped into the burial trench in order to salvage Bennett Buckets and plywood from radioactive waste shipping containers. The contents of many of these containers included special nuclear material.

- D. License Condition 12 permits burial of packages containing only solid radioactive materials. Burial of packages containing liquids is not authorized.

Contrary to this requirement, packages containing solutions of special nuclear material in double wall containers surrounded by absorbent material were placed directly into the burial trench as received.

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V. Report Details

A. Survey Efforts

1. Initial survey efforts began on Wednesday afternoon, March 10, 1976. EPA personnel from the Office of Radiation Programs and the Environmental Monitoring and Support Laboratory, two separate Las Vegas EPA entities, comprised the EPA survey team. D. Hendricks, Director, Office of Radiation Programs, Las Vegas Facility was in charge of the EPA personnel with overall direction provided by R. Trounaday and W. Horton of the State. EPA manpower varied between 3 to 10 individuals. The basic survey instrument used was a portable, gamma scintillation survey meter with a lower scale reading of 0-30 uR/hr. Background in the Beatty area was generally 10-15 uR/hr. Portable alpha survey instruments were available and used as needed. No street maps of Beatty were available and copies of an aerial photograph were used to identify locations. The town proper was divided into quadrants and a systematic survey began. Personnel worked on an individual basis, carefully surveying each room of residences, as well as yards, garages, storage sheds, business establishments and the piles of salvable items prevalent throughout the town. Plywood, which was widely used throughout the town, was surveyed on a random basis at the discretion of the survey team members. General ground rules were to perform a thorough gamma survey, make note of any suspicious looking items for followup alpha surveys, only pickup items exhibiting positive indications of radioactivity, and make note of identified contaminated items which were not picked up in order to allow later pickup. Small individual items were picked up by the surveyors while large items or numerous items were picked up by NECO. All items were returned to NECO for holding. An EPA aerial reconnaissance aircraft was used to provide photographs of one large nearby ranch [REDACTED] where much material was alleged (and later found) to be located.
2. ERDA survey efforts began on Friday, March 12. The ERDA team consisted of ERDA contractors, including EG&G, Inc., Lawrence Livermore Laboratory (LLL) and Reynolds Electrical & Engineering Co. (REECO). B. Church, Chief, Radiological Branch, Nevada Operations Office, ERDA, was in charge of the ERDA team with overall direction provided by the NRC. The EPA and ERDA survey efforts were quickly integrated

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with overall responsibility being jointly shared by the State and NRC. The ERDA team consisted of three, two man alpha survey teams which immediately began surveying in unison with the EPA survey team. In addition, the ERDA team included an EG&G helicopter equipped with a large array of sodium iodide gamma detectors which was used to help survey key areas of [REDACTED] ranch (72,000 acres) and some other outlying ranches; a LLL counting van equipped with a portable GeLi detector and multi-channel analyzer used for isotopic identification and analysis of samples and in situ analyses; an EG&G van equipped with a large array of sodium iodide gamma detectors and BF<sub>3</sub> neutron detectors used on individual [REDACTED] ranch and the town of Beatty proper; a REECO sodium iodide gamma detector with a multichannel analyzer, and a portable gas proportional beta/alpha detector with scaler, set up in the motel being used as a "command post". The ERDA team also provided a base of radio communications at the "command post" and walkie-talkies for field use.

3. After one day, use of the EG&G helicopter and van was discontinued while hand held instrument surveys continued. The bulk of the survey effort in and around Beatty was completed by Sunday evening, March 14 when the survey teams were disbanded. Approximately 35 individuals had been involved in the Beatty area survey effort.
4. By Friday, March 12, during the peak of the survey effort, the survey teams began to hear rumors that some material was being buried, disposed of in the desert or otherwise hidden by residents, apparently out of fear of being "caught with materials". State officials, headed by Roger Trounday, Director of the Department of Human Resources, called a town meeting on Friday night at the school gymnasium to explain the situation and ask for the assistance of the townspeople in identifying and locating material from the facility. About 130 residents attended the meeting. Notice of the meeting was spread by the Nye County deputy sheriff. Using a statement prepared by the NRC, IEV public information officer who had reported to the site, Trounday explained the reasons for the investigation and the results that the survey teams had found to that point. He also explained that it was not the interest of either the State or the Federal agencies to

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arrest or prosecute the residents. The agencies' interest was merely in recovering the material, getting it back to the disposal site where it belonged and assuring that there was no health hazard to the townspeople. It was stressed that there was no immediate health hazard but that some of the material could pose a potential health hazard. A question and answer period followed Trounday's presentation. Results of the town meeting were evident on Saturday and Sunday as people voluntarily returned miscellaneous items.

5. Although the formal survey teams were disbanded on Sunday, March 14, isolated survey efforts continued through Friday March 26. EPA and NRC personnel continued surveying previously missed locations in and around Beatty. On Thursday, March 18, State, NRC, EPA and ERDA personnel arrived in Pahrump, Nevada to perform surveys in that area. Several former employee residences and one machine shop where materials were alleged to be, were surveyed in Pahrump.
6. EPA has prepared a detailed report of their survey efforts in Beatty. A copy of this report is provided as Attachment F to this report.

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V. B. Summary of Materials Recovered

1. On a per item basis, the majority of items recovered were radium painted objects such as radium dial clocks, compasses, watches, assorted gages, transits, various objects with radium glow buttons and other obsolete radium containing equipment (mostly military issue). Radiation levels associated with this equipment were generally low, less than 5 mrad/hr beta/gamma on contact but ranging upwards to 150 mrad/hr on contact. It should be noted that the contact radiation levels represent the maximum exposure. Realistically, exposure rates to individuals in the vicinity of these objects were considerably lower. As an example, a radium dial clock measuring 50 mrad/hr on contact beta/gamma, measured only 9 uR/hr above background at one meter distance.
2. Although there were numerous radium objects recovered, radium items accounted for a small percentage of the total volume and mass. Other items included electric motors and pumps, piping, wiring, plywood and planks of wood, a disassembled contamination change room, a large tractor tire, laboratory equipment, a hoist and hoist support, lead bricks, various tools, plastic hose, tool boxes and other assorted equipment. Of all plywood surveyed, only a few pieces were found contaminated. Approximately 20 to 25 pickup truck loads were required to haul items back to the NECO facility. A 40 foot flatbed trailer was used to return large, bulky and heavy items.
3. Of all materials recovered, the vast majority came from four or five locations each of which was associated with an employee or ex-employee of NECO. There were approximately seventeen residences or businesses that had just one or a few radium objects, mostly clocks. An additional 25 locations in the Beatty vicinity were identified where other radioactive items were found including contaminated concrete and soil and radium and non-radium related objects. There were also three locations in Panrump, Nevada and one in Fallon, Nevada where objects were recovered.

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4. The location with the most abundant and varied number of items was [redacted] ranch. Eleven Bennett Buckets, two other tanks, tools, wood planks, approximately 10 electric motors, several pumps, pipes, a wood table, hose, and metal framing describes the general scope of items found at this ranch. [redacted]
5. Another location of significant findings was individual [redacted] "museum". The "museum" consisted of a private collection of numerous, varied artifacts assembled by [redacted] as a personal hobby. Approximately five to seven 55 gallon drums of material were recovered from the "museum". Items recovered consisted mainly of radium dialed objects although a centrifuge, a laboratory or commercial mixing device, lead bricks and several other assorted items also came from the "museum".
6. A third location of significant findings was individual [redacted] premises. Miscellaneous radium items, a large contaminated tractor tire, tools and a large tool box and another laboratory mixing device were among the items recovered from these premises.
7. Three instances were identified where actual surface contamination existed within living quarters. One of these was a point source spot of radium on a carpet which read 110 mrad/hr contact beta/gamma and 15 uR/hr at one foot. The owner of this residence had not been employed by NECO. The second instance involved a triple beam balance and a set of brass laboratory weights at individual [redacted] residence. The beam balance plate indicated  $3 \times 10^7$  dpm alpha contamination by direct measurement with a portable air proportional alpha survey meter. An open window gm survey indicated  $8 \times 10^5$  cpm beta/gamma at 3" distance and  $1 \times 10^5$  cpm, gamma only at the same distance (background negligible). Laboratory analysis of a swipe of the balance indicated  $3.2 \times 10^5$  dpm gross alpha with isotopic identification of Pu-239 in a 23/1 ratio with Pu-238 (and/or) Am-241 as well as Cs-137, Cs-134 and Co-60. Similar isotopes were found on the brass weights. Individual [redacted] also possessed a Bennett Bucket used as a non-potable water tank. A radiation survey of the tank and a water sample did not indicate the presence of radioactivity. Individual [redacted] was not associated with

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NECO and acquired the balance and weights in swaps and purchased the Bennett Bucket from a NECO employee. The third instance of contamination within living quarters involved individual [REDACTED]. A stainless steel plate, apparently from a counter balance type scale, was found. An open window gm survey of the plate indicated 70 mrad beta/gamma on contact. Laboratory analysis of a swipe indicated  $1.3 \times 10^{-1}$  uCi of Sr-90 with lesser quantities of Cs-137, Cs-134, Eu-155, Eu-154 and Co-60 on the swipe. Trace quantities of Pu-238 and/or Am-241 were also detected. Individual [REDACTED] was the [REDACTED] who had been discharged as a result of the cement truck occurrence.

8. Many other items were recovered with loose surface contamination, although these were found outside, in sheds and other non-living quarters. For the most part the contamination on these items was identified as radium. Items recovered with contamination other than radium included a centrifuge with C-14 and Co-60 contamination from Individual [REDACTED] "museum"; 2 mixing devices with enriched uranium contamination, one from Individual [REDACTED] "museum", the other from Individual [REDACTED] residence; a piece of plywood on a shed with enriched uranium contamination, located on rented property, owner not identified; and a hoist and hoist support with Pu-238 contamination from Individual [REDACTED] ranch.
9. Additional descriptions of materials recovered, radiation and contamination levels involved as well as radioisotope identifications are provided in Attachment F. Photographs of many recovered items are provided in Attachment E.
10. Of all the contaminated items identified and recovered, the stainless steel plate at Individual [REDACTED] residence is considered to represent the most direct path for potential human exposure. The plate had substantial levels of loose surface contamination and was routinely used as a catch for keys and pocket change. Handling of the plate or items on the plate could result in a direct path of ingestion of radioactive contamination. Notwithstanding, the results of whole body counting on Individual [REDACTED] did not disclose any evidence of internally deposited radioactivity. Bioassay analysis for Sr-90 was not complete as of the time of this report, but results will be included in a later supplement to this report.

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With respect to the overall potential for radiation exposures, when all factors are considered, i.e., the measured direct radiation levels, the radioisotopes involved, the general location and use of contaminated objects and the low levels of contamination involved, it is believed that no significant internal or external exposures occurred. Results of whole body counts support this contention. Based on all available information, it is concluded that overall, a significant health hazard did not exist. Results of bioassay analyses are not available as of yet and will be provided in a supplement to this report. It is not expected that bioassay results will change this conclusion.

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V. C. Investigative Effort

1. During the period of March 11 to April 1, 1976, NRC investigation specialists interviewed numerous personnel in an attempt to ascertain factual information concerning the unauthorized removal of radioactive materials from the NECO disposal site. These interviews included personnel associated with both the Beatty facility and the Richland, Washington facility. Results of investigations at Richland are summarized in paragraph V.H. Results of the Beatty investigation are contained herein. The investigation of the Beatty facility included interviews with 21 individuals. The results of each interview are provided below in a chronological sequence. Since a few individuals were interviewed two or three times and since many interviews contain numerous references to other individuals, the key below is provided to aid in rapidly finding the location in the report of any given interview. Signed statements obtained during several interviews are attached to this report as Exhibits 1 through 13.

Key List of Interviews

<u>Individual</u>	<u>Date of Interview</u>	<u>Paragraph No.</u>
[REDACTED]	51	2
	(first interview) 3/11	3
	3/12	4
	3/12	5
	3/12	6
[REDACTED]	3/12	7
	3/12	8
	(first interview) 3/13	9
	3/13	10
	(first interview) 3/13	11
[REDACTED]	3/14	12
	3/15	13
	3/15	14
	3/17	15
	3/18	16
	3/18	17
	3/19	18
	3/19	19
	(second interview) 3/20	20
	3/20	21
[REDACTED]	(second interview) 3/24	22
	(second interview) 3/25	23
[REDACTED]	(third interview) 3/25	24
	3/25	25
	4/1	26

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2. Interview With Individual [redacted] on March 11, 1976

On March 11, 1976, Individual [redacted] was interviewed at the NECO Beatty, Nevada facility by representatives of the NRC and the State of Nevada. [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Individual [redacted] advised that a Cease and Desist Order had been received from the State of Nevada. All operations had been stopped except that materials enroute to the facility and on hand could be received and buried.

Individual [redacted] stated that only three employees in addition to himself remained at the site. The other employees had been terminated or layed off. [redacted] he had little first-hand knowledge concerning past events. He indicated, however, that until March 9, 1976, the only radiation safety concern at the facility had been the use of a cement mixer to pour concrete at some offsite locations. This mixer was used on the site for mixing cement and liquid radioactive waste. The mixer was, therefore, contaminated and the concrete slabs for which it had been used in Beatty, Nevada were found to be contaminated.

Individual [redacted] indicated that until March 10, 1976, the only problem of which he was aware was the concrete problem. On that date, however, he was informed that items which had been received at the site for burial had been removed from the site by site personnel and that this apparently was a widespread problem. He stated that he had informed corporate management of that development and he expected corporate level personnel to arrive at the facility within the next 24 hours.

Individual [redacted] indicated that in addition to himself and the facility [redacted] the only personnel currently employed at the Beatty site were Individuals [redacted] and [redacted]. He stated that Individual [redacted] had been employed by NECO since [redacted]. While Individual [redacted] was familiar with the circumstances

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relating to the use of the cement mixer in Beatty, he would have little, if any, knowledge relating to the removal of containers and some of their contents from the site since all or most of that activity took place prior to his arrival at the Beatty facility.

Individual [redacted] stated that information relating to former NECO Beatty employees would have to be obtained from the NECO Western Operations Office located in the San Francisco, California area or from the corporate office in Louisville, Kentucky. A list of former NECO Beatty employees with their dates of employment and last known address was subsequently provided to the NRC and State of Nevada representatives.

3. Interview With Individual [redacted] on March 11, 1976

On March 11, 1976, Individual [redacted] was interviewed by representatives of NRC and the State of Nevada. Individual [redacted] stated that he has been employed by NECO at the Beatty facility since [redacted]. During most of his employment he had been a [redacted] but during the last year he has worked as a [redacted] at the facility.

Individual [redacted] stated that sometime in 1967, [redacted] the practice of emptying containers had begun. He indicated that at first containers which were made from pieces of plywood and other lumber were emptied into the trench and the plywood and other lumber were salvaged for a variety of uses by employees, the [redacted] and their friends. A technique was developed whereby the crane would be used to suspend plywood boxes over the trench. The crane operator would allow the box to free fall several feet and then abruptly stop the cable. This would cause the box to separate and the contents would fall into the trench leaving the five remaining sides of the box intact and readily salvagable. The contents that dropped into the trench would then be covered over by backfilling. Individual [redacted] indicated that over a period of years, large quantities of plywood were removed from the site for use as construction material for fences, sheds, playhouses, trailer skirting, etc. and could be found throughout the Beatty area and neighboring ranches. He recalled that some plywood was given to people who lived in Indian Springs, Nevada, a small community about 75 miles southeast of Beatty.

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Individual stated that large quantities of hand tools, clocks and compasses were received in containers for burial as radioactive waste. These containers were opened and employees were allowed to take what they wanted. He indicated that there were occasions when these items were spread out on the building floor and given a quick check with a GM survey meter. Employees were then permitted to take what they wanted. In addition to the above items, pipes, fittings, pumps, motors, rigging equipment, shackles, cable, electrical switchboxes and other miscellaneous items were taken from the site which had been removed from containers of radioactive waste.

Over a period of time, mostly through trial and error, they were able to determine which containers would have desirable items contained in them. This could be determined in large measure by the location from which they were received. Most of the items were received from General Electric Vallecitos and San Jose, California, Atomic International, Mare Island Naval Shipyard, as well as other shipyards and military installations. Another method employed to determine whether a container was to be opened was to roll it over and if it rattled, it was a good indication that the contents were of value. These containers came to be referred to as "rattlers". Individual stated the containers of radioactive waste received from medical institutions were not of interest.

Individual stated that beginning in about 1967 the Lawrence Radiation Laboratory (LRL) began shipping radioactive waste in large steel containers known as Bennett tanks. These tanks were about 7 feet tall and 6 feet in diameter. These containers were opened, the contents dumped in the trench and backfilled. The empty tanks were then hosed down and checked with a survey instrument. They were then taken from the site and used for a variety of purposes. Many were used as septic tanks, water storage tanks for live stock, grain storage, etc. Although he said he had no way of knowing how many of these tanks were taken from the facility, Individual said it was his opinion that not very many of them were buried on the site. He estimated that only 5% had been buried as intended. He indicated that Bennett tanks could probably be found in the town of Pahrump and the Amargosa Valley farming area as well as in Peatty and neighboring ranches.

Individual indicated that although he had no personal knowledge of it, it was his impression that some items, particularly Bennett tanks, had been sold as well as given away. Although all employees had been involved

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in acquiring articles from radioactive waste shipments, as time went on most of the activity was confined to the [REDACTED]. He went on to say that several Bennett tanks and other equipment had been taken to Individual [REDACTED]'s ranch and stored and/or used there. He was unable to say whether all of it remained there or whether some of it was subsequently taken elsewhere. Individual [REDACTED] stated that he had no knowledge that any items removed from the site were taken by truck to any distant points. He further indicated that there was no need to open and use empty 30 or 55 gallon drums since unused drums of that size were available on the site. Such drums were only opened if they were rattlers.

Individual [REDACTED] stated that he had some indications but no personal knowledge that radioactive waste containers had also been opened at the NECO warehouse located in the Oakland, California area. (NOTE: For specific information regarding this particular allegation, see "Interview With Individual [REDACTED] on April 1, 1976".)

Individual [REDACTED] stated that he had no firsthand knowledge whether any NECO corporate personnel were aware of what was being done at the Beatty facility but he was of the opinion that the former [REDACTED] Individual [REDACTED] was aware of the above-described activities. Individual [REDACTED] stated that Individual [REDACTED] had brought those activities to the attention of Individual [REDACTED] several years ago. Individual [REDACTED] indicated that he had heard that as a result of this action, Individual [REDACTED] had ordered the [REDACTED] Individual [REDACTED] to fire Individual [REDACTED]. Because Individual [REDACTED] had seniority over most of the other employees, it became necessary for the [REDACTED] to terminate all but two employees in order to terminate Individual [REDACTED]'s employment. This action was taken a month or so after Individual [REDACTED] had gone to Individual [REDACTED]. Individual [REDACTED] indicated that after the site manager became aware that Individual [REDACTED] had obtained other employment, the other site employees were rehired. According to Individual [REDACTED] Individual [REDACTED] was rehired about one year ago by the latest site manager since Individuals [REDACTED] and [REDACTED] no longer occupied positions with NECO. Individual [REDACTED] stated that Individual [REDACTED] was again terminated recently because of his involvement with the pouring of concrete with the site cement mixer in the town of Beatty. He indicated that it was his understanding that Individual [REDACTED] was no longer residing in Beatty but had moved to Las Vegas. (NOTE: Interviews with Individuals [REDACTED] and [REDACTED] are provided later in this report.)

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Individual [redacted] was recontacted on March 19, 1976 at which time a signed statement was obtained from him, a typed transcript of which is attached to this report as Exhibit #1.

4. Interview With Individual [redacted] on March 12, 1976

Individual [redacted] was interviewed on March 12, 1976, while his residence was being surveyed. Individual [redacted] stated that he had been employed for about [redacted] at the Beatty facility. During the first three years of his employment he had been a [redacted] and had therefore spent most of his time away from the facility. More recently, he had been employed at the facility itself. Individual [redacted] indicated that a few days ago he was notified that he was being layed off but that his lay off was temporary.

Individual [redacted] stated that he had seen Bennett tanks received from LRL opened and the contents taken to the trench. The tanks were then hosed down with a fire hose and checked with a GII meter. The tanks were removed from the site and used by various people in the area, mostly as septic tanks.

Individual [redacted] stated that he was aware that items were being removed from shipping containers received at the site. He stated that he did not participate in this activity since he did not want anything that might have radioactive contamination on it. He was, however, allowed to take several sheets of new plywood from the Beatty facility. He indicated this plywood had been used to separate layers of 55 gallon drums shipped from the Shell Chemical Company which contained chemical wastes. Since these had no connection with the radioactive waste portion of the NECO Beatty facility, he knew that they did not have radioactive contamination on them. Individual [redacted] stated he had no additional first-hand knowledge about activity relating to the removal of tools, equipment and containers from the Beatty facility.

5. Interview With Individual [redacted] on March 12, 1976

A brief interview was held with Individual [redacted] while his residence was being surveyed on March 12, 1976.

Individual [redacted] stated that during the last few months he had been employed as a casual worker at the Beatty facility. He stated that he worked at the facility on an average of one or two days a week during this period. He stated

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that while he had heard from conversations at the facility and in town that material had been taken from the site, he had no first-hand knowledge concerning these activities. Individual [REDACTED] stated he had not taken any tools or other items from the NECO facility except that he was permitted to take a few sheets of plywood from the chemical side of the site.

6. Interview With Individual [REDACTED] on March 12, 1976

On March 12, 1976, Individual [REDACTED] was interviewed by representatives of the NRC and the State of Nevada while his residence was being surveyed. Individual [REDACTED] stated that although he has never been employed by NECO he had performed [REDACTED] work at the NECO Beatty Facility. He stated that he had never obtained any materials, equipment or tools from that facility which had come from radioactive waste shipments. He indicated that the only item he had obtained from the facility was an electrical fuse box that had been installed within the facility's building.

7. Interview With Individual [REDACTED] on March 12, 1976

On March 12, 1976, Individual [REDACTED] was interviewed by representatives of the NRC and the State of Nevada. Individual [REDACTED] stated that he had been hired as a [REDACTED] by NECO in November 1973 and that his [REDACTED] activities were related to the corporation's [REDACTED]. He stated that his offices are located in the [REDACTED]. Individual [REDACTED] stated that he became the [REDACTED].

Individual [REDACTED] stated that he had visited the Beatty facility on only one occasion, that being in about September 1974. He stated that his visit there was for a general familiarization of the corporation's operation and his interest was primarily in the financial and administrative areas. He went on to say that at the time of this visit, Individual [REDACTED] was the [REDACTED] but he was absent from the facility during his visit. Individual [REDACTED], who at that time was the facility [REDACTED] was in [REDACTED] the site during the absence of Individual [REDACTED]. Individual [REDACTED] stated that during this visit he did not acquire any knowledge concerning the opening of radioactive waste containers or the removal of items from the facility by NECO personnel.

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Individual [redacted] stated that he first became aware of any problems at the facility on February 20, 1976 when Individual [redacted] informed him that a contaminated cement mixer had been used to pour concrete in the town of Beatty. It was his understanding that Individual [redacted] had received a call from Individual [redacted], in this regard.

Individual [redacted] stated that he had no personal knowledge that radioactive waste containers or portions of their contents were being removed from the site and that to his knowledge, no one at the corporate level was aware of this or condoned it being done. Individual [redacted] stated at the conclusion of this interview that signed statements attesting to this fact would be prepared and submitted to the NRC by himself, Individual [redacted] and Individual [redacted]. These statements were subsequently received from NECO and are attached to this report as Exhibits 2, 3 and 4, respectively.

8. Interview With Individual [redacted] on March 12, 1976

On March 12, 1976, Individual [redacted] was interviewed by representatives of the NRC and State of Nevada. Individual [redacted] stated that he has been the [redacted] for NECO for the last [redacted]. The Western Operations of NECO includes the burial site in the Richland, Washington area as well as the Beatty site, a warehouse in the San Francisco area, and nonradioactive waste operations in the State of Texas.

Individual [redacted] stated that he was originally hired by the former NECO President, Individual [redacted], as a [redacted] in about June [redacted]. His [redacted] activities were restricted to [redacted] matters. He subsequently became a full-time employee of NECO with the title of [redacted]. About 18 months ago, NECO reorganized and moved its headquarters to Louisville, Kentucky. At that time he became the [redacted]. Individual [redacted] stated that while Individual [redacted] was the [redacted] of NECO, Individual [redacted] was personally responsible for the Beatty operation at the corporate level. Individual [redacted] stated that he had no responsibility for the radioactive waste activities at Beatty until he became [redacted].

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Individual [redacted] stated that he has visited the Beatty facility about every three or four months since he became associated with NECO. Up until March of 1975, Individual [redacted] was [redacted]. During the time [redacted] Individual [redacted] was not aware that any materials had been taken from the site. Individual [redacted] went on to state that he had forced Individual [redacted] to resign for reasons that did not relate to radiation safety problems. Individual [redacted] stated that Individual [redacted] had been the [redacted] while [redacted]. In about October 1974, Individual [redacted] requested a transfer to the NECO facility near Sheffield, Illinois. Individual [redacted] remained at Sheffield about six months and was transferred back to Beatty [redacted] when [redacted] was [redacted]. Individual [redacted] stated that he had no knowledge that any materials or containers had been taken from the Beatty site while Individual [redacted] was [redacted]. He further stated that during all of his visits to the site he saw no indications of this kind of activity going on. He indicated, however, that he heard rumors that Individual [redacted] had been selling materials from the Beatty facility while he was [redacted] there. Individual [redacted] stated that he heard these rumors when Individual [redacted] was fired from the company during his employment at the [redacted].

Individual [redacted] stated that he received a call from Individual [redacted] the Beatty site [redacted] on February 20, 1976. Individual [redacted] advised during this conversation that he had strong indications that the site cement mixer had been used to pour concrete in the town of Beatty and that Individual [redacted], was aware of this activity and had participated in it. He further indicated that other employees at the Beatty site were involved in this activity. Individual [redacted] stated he reported this information to Individual [redacted] and proceeded to make arrangements to meet Individual [redacted] the following day in Las Vegas.

Individual [redacted] stated that he met with Individual [redacted] on February 21. During that meeting Individual [redacted] advised him that he had noted recently that the supply of cement at the site was diminishing at a rate which exceeded the quantity necessary to solidify the liquid radioactive waste received at the site. According to Individual [redacted] Individual [redacted] went on to say that he had talked to

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Individual [redacted] on January 12, 1976 and Individual [redacted] had admitted using the cement mixer for concrete work in Beatty. Individual [redacted] stated at that time that he was doing a favor for a friend. Individual [redacted] indicated that he had obtained some cement dust from the location of the concrete pour and upon checking it found no indication of radioactive material.

Following his meeting with Individual [redacted], Individual [redacted] then met with Individual [redacted] concerning the matter. During this conversation, Individual [redacted] admitted that the cement mixer had been used at four different locations in the town of Beatty. The first time the cement mixer was used was at the residence of a NECO employee. According to Individual [redacted], this pour was made before the cement mixer had been used to solidify liquid radioactive waste.

Individual [redacted] stated that Individual [redacted] informed him that the mixer had also been used to pour concrete in the Beatty jail. The local contractor's cement mixer had broken down and he was required to complete the job without delay. According to Individual [redacted], he had agreed to perform the work as a public relations gesture. Individual [redacted] informed Individual [redacted] that Individuals [redacted], [redacted] and [redacted] had assisted in pouring that concrete. Individual [redacted] had stated that he did not receive any payment for this work but that the local contractor had donated some money for the NECO Christmas Fund. Individual [redacted] stated that he was not familiar with any Christmas Fund but that it was apparently intended to be used for refreshments obtained for a Christmas party for employees.

Individual [redacted] stated that the third occasion the cement mixer was used was to pour a patio behind the Sourdough Saloon in downtown Beatty. Individual [redacted] stated that Individual [redacted] informed him that the owner of the saloon had \$450 due him from NECO. Individual [redacted] stated that he was not clear as to why NECO owed the saloon owner this amount of money. Individual [redacted], however, contended that the saloon owner agreed to cancel this debt if NECO would pour the patio.

A fourth occasion involved the residence of a friend of NECO employees, Individuals [redacted] and [redacted]. Individual [redacted] stated that Individual [redacted] denied receiving any money for these concrete pours. Individual [redacted] stated that in view of the above information, he informed Individual [redacted] that he would suspend him from his position until the matter was resolved. He went on to say that Individual [redacted] was officially suspended on [redacted]

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Individual [redacted] stated that on February 23 he notified the State of Nevada of the activities involving the site cement mixer. On March 2, Individual [redacted] accompanied a State of Nevada representative during surveys of the concrete locations in the town of Beatty. Individual [redacted] stated that spots of contamination in the patio behind the Sourdough Saloon were found which read up to 40 mrad/hr at the surface. He stated that the concrete was removed from this location on March 4 and 5, 1976 and the material was returned to the site for eventual burial.

9. Interview With Individual [redacted] on March 13, 1976

On March 13, 1976 representatives of the NRC and the State of Nevada interviewed Individual [redacted] who stated that he had been employed as a [redacted] and subsequently as a [redacted] at the NECO Beatty facility since [redacted]

Individual [redacted] stated that at the time he began his employment at the Beatty facility, the practice of opening containers and removing materials from the site was in full swing. He corroborated information obtained earlier concerning the methods used to salvage the plywood used in the construction of waste containers which were received on the site and the identification of containers having useful items and indicated that the latter were referred to as rattlers.

Individual [redacted] stated that Individual [redacted] controlled these activities. He stated that Individual [redacted] supervised the opening of boxes and that containers could not be opened without his approval.

Individual [redacted] confirmed that on occasion large quantities of tools were received in 55 gallon drums and these were opened and spread on the floor of the facility. They were checked quickly with a GM survey meter and those that showed high radiation readings were thrown in the trench. He indicated there were a sufficient number of tools available to be selective about those they did not bury. He indicated the tools were taken out of the container in which they were received and placed in NECO containers and stored in a loft area at the facility. Gradually, employees helped themselves from those containers until they were gone.

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Individual [REDACTED] stated that a large number of boxes containing clocks and compasses had been received from various military installations. These were received frequently with indications that they had been opened enroute. He indicated that this was evident because the lids on boxes were renailed and there were band marks on the boxes but the bands were gone. He indicated shipments of this kind were received through common carrier from various military installations. Some of these shipments had been temporarily stored at the NECO warehouse facilities in the San Francisco area before being brought to Beatty by NECO truck.

Individual [REDACTED] stated that the Bennett tanks received from LRL contained common trash and absorbent material. While some of the materials contained in the Bennett tanks were enclosed in plastic bags, other materials were placed in the Bennett tanks which were not contained in plastic or other smaller containers. He stated that the lids were taken off of the Bennett tanks and the contents dumped into the trench. The tanks were then hosed down with a fire hose and checked with a survey meter. He expressed the opinion that they were not checked for alpha activity but were checked only with a GM survey meter. After the tanks were considered free of contamination, several of them were lined on the inside with tar and some welding was done on them to make them readily usable as septic tanks. He indicated these activities took place on site. He indicated that Individual [REDACTED] had personally engaged in the conversion of Bennett tanks into septic tanks. He expressed the further opinion that during the time that Individual [REDACTED] few, if any, Bennett tanks were buried in the trenches on the Beatty site.

He indicated that these tanks, as well as other material obtained from waste containers, were taken by truck to Individual [REDACTED] ranch or were delivered to other residences in the Beatty area. He stated that he was not aware of any occasions in which NECO trucks were used to transport salvaged materials to any distant points. He indicated that if any of the employees or townspeople wanted a Bennett tank for their use it was necessary to ask Individual [REDACTED] for it. He indicated that some employees spent the major part of their time recovering materials from containers for use and in the refurbishing of Bennett tanks for use as septic tanks or for other purposes.

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Individual [redacted] stated that about three years ago the NECO employees at the Beatty facility filed complaints with OSHA through their union about various working conditions at the site. Among these complaints was one relating to the drinking water provided to them. They were concerned because the water system utilized 1-1/2 Bennett tanks. He indicated the system had since been remodeled and the Bennett tanks were no longer used for this purpose. (NOTE: NRC Follow-up of this item disclosed that the complaint had actually been filed with the Nevada Industrial Commission, Department of Industrial Safety. A representative of this agency obtained two water samples from the tank which were analyzed for radioactivity by the Clark County Health Department. Results were negative. NECO exchanged the tank shortly thereafter.)

Individual [redacted] also provided other information concerning other items which had been taken from containers received at the site. He indicated that the centrifuge which had been recovered from his property had been received several years ago at the site and had remained on the site for a long time. He indicated that he had had it in his possession for three or four years. He could not recall from which facility it had come. He stated that the beam balance which had been recovered from the residence of Individual [redacted] had been removed from the site by him and that he had given it to Individual [redacted]. He could not recall the origin of that item either.

Individual [redacted] stated a load of 6-inch diameter pipe had been picked up by NECO truck at Rifle, Colorado, which had been used in Project Rulison. He said that all of the pipe went directly to the ranch of a former NECO employee instead of being taken to the Beatty site. He indicated that he and the individual, who at that time was a NECO employee, personally delivered the pipe to that individual's ranch.

Individual [redacted] also stated that a metal A-Frame on rollers with a chain fall had been received from ICH in the San Francisco area. He indicated that this piece of equipment was used in the shop at the Beatty site. He further stated that a white building had been received at the site for burial. It was his recollection that it had been received from a military installation in Sundance, Wyoming in about June 1969. He indicated that this white building was utilized at the NECO facility rather than being buried. It was his further recollection that another similar structure was taken to the Beatty residence of Individual [redacted].

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Individual [redacted] stated that several large motors of 8 to 12 horsepower, which had been received for burial, were removed from the site and were taken to Individual [redacted] ranch. Individual [redacted] went on to say that a few years ago he had removed a lathe that had been received for burial at the Beatty site. He had subsequently found out that the lathe was contaminated with beryllium rather than radioactive material. Since he understood that beryllium was hazardous, he decided to return it to the Beatty site. At the time he decided to return the lathe, Individual [redacted] was no longer the [redacted] and he felt it was necessary for him to return the lathe surreptitiously. In order to do so, he dismantled the lathe and took it back to the facility in small pieces. He indicated this was accomplished over about a two year period. He observed that it was more difficult to return the lathe than it was to acquire it in the first place.

Individual [redacted] also stated that a Bridgeport milling machine had been received at the site several years ago and remained there for a long period of time. He indicated that he would like to have had it and asked Individual [redacted] whether he could have it. Individual [redacted] asked him what he would be willing to pay for it. He indicated that he could not afford to buy the machine and it was put up for sale by Individual [redacted]. Individual [redacted] stated that it was his understanding that Individual [redacted] made a phone call to the corporate offices and got approval to sell the machine to Individual [redacted] who operates a [redacted] in Pahrump, Nevada, in about 1972. (NOTE: Individual [redacted] was interviewed on March 20, 1976.)

Individual [redacted] stated that Individual [redacted] had been the [redacted] prior to Individual [redacted]. Individual [redacted] was involved in an accident onsite and was absent for a prolonged period of time. Because of his absence, Individual [redacted] was brought to Beatty as the [redacted]. Individual [redacted] indicated that he did not believe that containers were being opened and items being taken offsite when Individual [redacted] was the [redacted] because when he had recovered from his injury and returned to the site after Individual [redacted] became [redacted], he was amazed at what was going on. A short time later, Individual [redacted] was transferred to the [redacted] facilities in the [redacted] area. Individual [redacted] indicated that about four years ago Individual [redacted] visited the Beatty facility. During that visit he and Individual [redacted] took Individual [redacted] in an airplane to

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show him where the Bennett tanks were located around the Beatty area. He stated that he was of the opinion that Individual [REDACTED] had made some attempts to put a stop to the activities which took place while Individual [REDACTED]. He was, however, apparently unsuccessful. He indicated that Individual [REDACTED] is no longer with NECO.

Individual [REDACTED] stated that Individual [REDACTED] and Individual [REDACTED] were good friends before Individual [REDACTED] became [REDACTED] at the Beatty site. He indicated that during a conversation with Individual [REDACTED], he was told that Individual [REDACTED] had stated to Individual [REDACTED] that what happens to material after it arrives at the Beatty site is no one's business but NECO's. Individual [REDACTED] stated that Individual [REDACTED] visited the Beatty site occasionally, but he could not state from personal knowledge whether Individual [REDACTED] was aware of, condoned, or participated in the above-described activities. He indicated, however, that it was his opinion that Individual [REDACTED] was at least generally knowledgeable of what was going on.

Individual [REDACTED] stated that he was aware that about four or five years ago Individual [REDACTED] had gone to Individual [REDACTED] and held discussions with him. While he did not have first-hand knowledge as to what the discussions involved, it was his understanding that Individual [REDACTED] brought to Individual [REDACTED] attention the activities that were taking place at the Beatty site. Individual [REDACTED] stated that he had heard that Individual [REDACTED] had instructed Individual [REDACTED] to [REDACTED] Individual [REDACTED] after this discussion had taken place. Individual [REDACTED] stated that all employees with less seniority than Individual [REDACTED] were layed off a short time after Individual [REDACTED] had held discussions with Individual [REDACTED]. Individual [REDACTED] also was layed off.

Individual [REDACTED] stated that Individual [REDACTED] left the [REDACTED] facility and worked for NECO at the [REDACTED] facility in early [REDACTED]. He indicated that Individual [REDACTED] was subsequently fired by the Chairman of the Board of NECO.

Individual [REDACTED] stated that Individual [REDACTED] became [REDACTED] at Beatty following the departure of Individual [REDACTED]. Individual [REDACTED] stated that when Individual [REDACTED] became [REDACTED], he cleaned house and put the materials being stored at the site into the trench for burial. He indicated that he could not recall any Bennett tanks being emptied while Individual [REDACTED] was Site Manager. He indicated, however, that there might have been some empty Bennett

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tanks on hand when Individual [redacted] arrived. Some of those already empty might have been removed from the site after Individual [redacted] became [redacted]. Individual [redacted] expressed the opinion that some things continued to be taken off the site but without Individual [redacted] knowledge. He did recall, however, that there was one large stack of lumber being stored at the site and Individual [redacted] stated that if anyone wanted it, it would have to be removed from the facility that night because a Government inspector was coming the next day.

Individual [redacted] stated that a short time after Individual [redacted] became [redacted] a man came to his office asking whether he had any more tanks to sell. According to Individual [redacted] this upset Individual [redacted] because this indicated to him that Bennett tanks had been sold in the past instead of being buried.

Individual [redacted] stated that there was little security control exercised at the site. The gate was sometimes left open overnight and on weekends. It seemed as though everyone who ever worked at the site, even casual yard workers, had keys to the gate's lock.

Individual [redacted] stated that during the time that Individual [redacted], containers received at the site were not opened and very little, if any, materials were removed from the site. He indicated, however, a Bennett tank was buried on the site for use as a septic tank while Individual [redacted] was [redacted]. Individual [redacted] went on to say that the only unauthorized activity in which Individual [redacted] became involved was the use of the cement mixer for pouring concrete in some locations in the town of Beatty. He stated that this did not seem to be too unusual because it had been an unwritten company policy for site equipment to be made available for use in assisting area residents in a time of need. He recalled that the crane had been used to replace the steeple on a church in Beatty following a storm. Earth moving and grading equipment had been used to repair roads and driveways following heavy rains. These things were done with NECO equipment in the interest of good public relations in the Beatty area.

10. Interview With Individual [redacted] on March 13, 1976

On March 13, 1976, a resident of Pahrump, Nevada, who requested that some items at his residence be checked, was interviewed by representatives of the NRC and the

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State of Nevada. Individual [redacted] stated that he had been employed as a [redacted] at the NECO Beatty facility for about three or four months during the summer of [redacted]. He indicated that while he was an employee, Individual [redacted] was [redacted] and Individual [redacted] was the [redacted]. Individual [redacted] stated that the only item from the NECO facility he had in his possession was a socket wrench set. He indicated, however, that he had also acquired a boat compass and a lensatic compass from the military prior to this employment.

Individual [redacted] advised that individual [redacted] had worked at the NECO facility for about a year and a half in [redacted]. He indicated it was his understanding that Individual [redacted] was included in the [redacted] clique for a short time and acquired several items from containers which had been received from the site for burial. He stated that Individual [redacted] currently operates a maintenance and repair shop in Fallon, Nevada and probably has several items still in his possession. (NOTE: Individual [redacted] was interviewed on March 17, 1976.)

Individual [redacted] also stated that a Bridgeport milling machine received at the NECO facility had been sold to Individual [redacted] who operates a [redacted] in Pahrump, Nevada. He further indicated that he had heard that a vertical press may have been purchased by the [redacted] Pahrump, Nevada. (NOTE: A representative of the State of Nevada pursued the latter item during a visit to Pahrump on March 18, 1976 and informed the NRC that the firm had not acquired any items from the NECO facility.)

(NOTE: Individual [redacted] was interviewed on two occasions, March 13 and March 24. The first of these interviews follows. Individual [redacted] presently resides in [redacted] and is no longer employed by NECO.)

11. Interview With Individual [redacted] on March 13, 1976

Individual [redacted] wife was present during the interview and assisted him in providing names of NECO employees during this employment period.

Individual [redacted] stated that he was employed by NECO from June [redacted] to April [redacted]. He also stated that from June [redacted] to January [redacted] he was the [redacted] at Beatty, Nevada. Individual [redacted] stated that in January [redacted] he was transferred to the [redacted] site as the

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██████████ and was replaced by Individual ██████████ who was the previous ██████████ at ██████████. Individual ██████████ stated that he was the ██████████ for the ██████████ site until April ██████████ when he terminated his employment.

Individual ██████████ stated that during the period that he was ██████████ the following individuals were employed at the site:

Individual ██████████	-	Mechanic
Individual ██████████	-	Mechanic
Individual ██████████	-	Yard Boss
Individual ██████████	-	Truck Driver
Individual ██████████	-	Truck Driver & Concrete
Individual ██████████	-	Truck Driver
Individual ██████████	-	Truck Driver
Individual ██████████	-	Truck Driver
Individual ██████████	-	Concrete Work
Individual ██████████	-	Radiation Monitor (Spring to summer of ██████████)
Individual ██████████	-	Radiation Monitor

Individual ██████████ stated that some large plywood waste boxes which arrived from San Jose, California were opened. He stated that the purpose of opening the boxes was to remove the plywood lids for other use. Individual ██████████ stated that the waste was enclosed in plastic inside the box, and lids were removed prior to placing boxes in the trench. He stated that the boxes were placed on top of each other with a box covering the other box where the lid was removed. He stated that only the lids were removed from the boxes. He also stated that all of the removed plywood was surveyed for release from the site and given to the employees. Individual ██████████ stated that he used some himself to build a small horse stable and some was used for other purposes by almost all of the employees.

Individual ██████████ stated that other material could have been removed from the boxes by employees but that he was not aware that anything was removed except the lids.

He stated that he was aware that some "Bennett" cans were removed from the site with his concurrence. He described these as round metal waste containers about 6 feet in diameter and 7 feet in height with a metal lid. He also stated that these were received from Berkeley, California and that waste inside of the containers was enclosed in plastic.

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Individual [redacted] stated that Individual [redacted] had requested to use, as he remembered, four of these containers to fabricate a small silo for containing bulk cement. He also stated that Individual [redacted] operated a concrete business on his own in addition to working for HECO. Individual [redacted] stated that the waste from the selected containers was removed and the plastic containers placed in the trench. The metal cans were washed and surveyed for release prior to being removed from the site. Individual [redacted] stated that he believed this was done during early 1972.

Individual [redacted] also stated that Individual [redacted] owned a 3/4-yard concrete mixer on a trailer that was used on the site. He also stated that prior to his leaving Beatty that the mixer was surveyed and released for Individual [redacted] to remove from the site. Individual [redacted] also stated that the mixer had not been used for off-site use while at the Beatty site. He also stated that Individual [redacted] owned a boom truck that was used periodically at the site but was surveyed and released prior to its leaving the site on each occasion.

Individual [redacted] also stated that Individual [redacted] of Beatty, operated a [redacted] business in Beatty. He stated that Individual [redacted] had performed [redacted] work at the burial site but that the equipment was surveyed and released prior to leaving the site.

Individual [redacted] stated that a concrete mixer was used at the Beatty site for solidification of waste and that this mixer was never removed from the site.

Individual [redacted] stated that one shipment arrived for burial from Alameda, California and that the containers had been stored outside. He also stated that some of the wooden and cardboard containers were observed to be broken open on arrival. He stated that most of the shipment consisted of radium dial clocks used by the Navy. He stated that he did not remove the clocks but felt that some of the workers may have taken one of them. He stated that he was not aware of any employee actually removing any of the clocks but just had a feeling that it may have happened, but could not explain the reason for the opinion.

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Individual [redacted] stated that NECO employees referred to some drums received from the Mare Island Naval Yard as "rattlers". He stated that this meant there was loose material in the drums such as metal tools or other metal objects. He also stated that to his knowledge none of these drums were opened.

Individual [redacted] stated that routinely there was a shortage of vehicle tires, tarpaulins, and small tools but could not say that they were stolen. He also stated that they may have been misplaced on site, buried, or placed in other vehicles.

Individual [redacted] stated that each employee had a key to the site gate and were allowed to use the site shop for their own use on weekends. He also stated that they were instructed to survey items brought to the site, prior to their removal, after work on them was completed.

He stated that the site equipment was used off the site for employees and community project work. He stated that this was done as a public and employee relations matter and that all equipment was surveyed prior to removal from the site.

Individual [redacted] stated several times that to his knowledge the only items removed from the site that were delivered for burial were the "Bennett" containers and the plywood. Individual [redacted] wife stated that she could not provide any additional information regarding the activities conducted at the Beatty site.

12. Interview With Individual [redacted] on March 14, 1976

On March 14, 1976 Individual [redacted] was interviewed at his ranch by representatives of NRC and State of Nevada. Individual [redacted] stated that he was employed by NECO as a [redacted] from [redacted] until February or March [redacted]. He indicated that although Individual [redacted] was [redacted] when he began his employment, Individual [redacted] was [redacted] during most of his employment. Individual [redacted] became [redacted] about a year before he retired. Individual [redacted] stated that the company sponsored a retirement party for him and Individual [redacted], who was [redacted] at that time, called him from Hawaii to express his regret at not being able to attend the party and extending his best wishes to him.

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Individual [redacted] stated that Individual [redacted] tried to be a good fellow and permitted people to have things from the site that they wanted. He also arranged for the use of some NECO site equipment in town when it was needed. He cited as examples, the use of the crane to place the steeple back on a church that had blown down during a storm and the use of graders and earth moving equipment to repair roads. He indicated this was informal company policy to perform these services as a means of establishing and maintaining good relations with the community.

Individual [redacted] confirmed that items found on his ranch had come from the NECO site. He stated that to his knowledge no items from the NECO site were taken to California or other distant points, that is beyond the Amargosa Valley and Pahrump, Nevada. He indicated some Bennett tanks were probably now located in the Amargosa Valley and that one was installed as a septic tank at Individual [redacted] residence in Pahrump.

Individual [redacted] stated that he was not personally involved in the decontamination of the Bennett tanks but said that after they were washed out, they were checked with a meter of some sort before he hauled them away. He stated that the inside of some tanks were lined with tar and some welding was done on them at the NECO site.

Individual [redacted] stated that he had about 12 Bennett tanks on his ranch. He had an informal understanding with Individual [redacted] when he was [redacted] that half of the Bennett tanks were his and half were Individual [redacted].

NOTE: On March 11, 1976, a State of Nevada representative advised the NRC that he had seen a cancelled check in possession of Individual [redacted] relating to the purchase of a Bennett tank. The check, dated October 23, 1972, was made out to Individual [redacted] for \$100 and bore the notation that it was for one 6' x 7' tank. Individual [redacted] had declined to permit the State of Nevada representative to make a copy of it.

Individual [redacted] stated that he had nothing to do with the sale of Bennett tanks and that to his knowledge only one tank was sold. He indicated that if any money was obtained for Bennett tanks, Individual [redacted] got it. Regarding the check for \$100 made out to him for a 6' x 7' tank in the possession of Individual [redacted] Individual [redacted] stated

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Individual stated that while Individual and other site personnel were aware of and participated in the removal of items from the site which were intended for burial, he was of the opinion that Individual was not aware of it.

13. Interview With Individual on March 15, 1976

Individual [REDACTED] stated he had been

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As to equipment carried off the site, he said there was a fairly high incidence of hand tools being carried off. He said it seemed he was always having to buy new crescent wrenches. He said that in 1968, Bill Horton of the Nevada State Health Department asked him about a report that some electric motors had been sold off site. Individual [redacted] had checked with Individual [redacted] (who had been [redacted] from [redacted]) and Individual [redacted] had informed Individual [redacted] that the report was unfounded -- that no motors had been sold. Individual [redacted] stated he knew of no other instances of this nature. He said he had heard rumors about the recent disclosures of items of contaminated equipment being "surplused" from the site. He said he was distressed to hear this because he had had a proprietary pride in the facility and its position as a showpiece model for the industry.

14. Interview With Individual [redacted] on March 15, 1976

Individual [redacted] stated he had been the [redacted] for Nuclear Engineering of the Beatty, Nevada disposal site from [redacted]. He had [redacted] after the [redacted] death (from an automobile accident) of Individual [redacted]. Individual [redacted] left the site in [redacted] after he had been severely injured in an accident when he was operating a crane at the site. After his recovery from injuries Individual [redacted] had gone back to work in [redacted] for Nuclear Engineering at the [redacted] office and left the company in December [redacted].

During the time that he was at the Beatty site, Individual [redacted] had as many as ten employees employed there at one time. They were all from the local area and to his knowledge none of them ever removed anything from the site. Individual [redacted] stated he was acutely aware of the contaminated nature of the materials put in the trenches, and he would never have permitted anything to have been removed. Since he was a local resident in Beatty and knew all the local residents, he felt sure that no surplused equipment had been used by those residents for stock watering troughs, etc. during his stay. On one occasion one of [redacted] employees asked him for permission to take a large piece of plywood home to place on a table so that he could have a large dinner party. Individual [redacted] told this individual (whose name he could not remember) that this was strictly forbidden and that he, Individual [redacted], would buy him a sheet of plywood if he needed it that badly.

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On occasion local residents had asked Individual [redacted] if they could borrow the cat (bulldozer) which was used at the site, but Individual [redacted] had turned them down. On one occasion at the request of the Beatty Fire Department, Individual [redacted] had driven the crane off site and used it to lift the bell off of the bell tower at the fire station.

Individual [redacted] stated that he did not understand how it could be stated that the crane had been used to drop plywood boxes and stop them short of the ground so that their bottoms could fall out, dumping the contents in the trench and permitting the plywood sides and tops to be salvaged. He said that while he was there the boxes were moved only by forklift and they were set down at the periphery in the trench to form a wall around it. The crane was used only for the large concrete blocks that came from LRL and for very large boxes. He said the "Bennett buckets" were also placed in the trench with the forklift.

Individual [redacted] was using the crane to lift a very large box into the trench when he had the accident that resulted in his leaving Beatty. The box contained a sodium tank from the Hallam reactor. Individual [redacted] had the crane's boom fully extended, trying to place the box in the center of the trench so there would be a lesser chance of it ever coming into contact with water. The weight was too much and it overbalanced the crane, causing it to tip into the trench from the top of the bank.

Individual [redacted] had no recollection of the report of electric motors being sold (as referred to by Individual [redacted]). He stated he had had no contact with Bill Horton, Supervisor of Radiological Health, State of Nevada, except for licensing matters while at San Ramon. He reiterated that to the best of his knowledge nothing was ever taken from or sold from the site.

15. Interview With Individual [redacted] on March 17, 1976

Individual [redacted] stated that the dates of his employment at the Beatty, Nevada disposal site were from about March [redacted] to July [redacted] (as indicated from the NECO records). He said that he had expected to be contacted by someone concerning his employment there and the things that he had taken from there since he had heard about the activity of this nature going on at Beatty. He volunteered that he had possession of a number of items

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he had taken from the Beatty site, and showed them to the investigators. He voluntarily brought to the shop a brass-cased Hamilton clock with luminous numerals (reportedly formerly U.S. Army issue) from his home. He stated he had been given this in Beatty, before he had gone to work at the site, by his [REDACTED] Individual [REDACTED], who worked there. Individual [REDACTED] said that his [REDACTED] had another clock just like it and that both clocks (he understood) had come from the disposal site. Other items which were in the shop which Individual [REDACTED] identified as things he had personally picked up out of the contaminated waste containers and taken from the disposal site were some drill bits mixed in with other drill bits in a box, two handles for pipe thread dyes, four or five pipe threading taps (for diameters about 1" to 1-1/4") - (these had purple paint markings on them), and a small box of open-end wrenches.

Individual [REDACTED] also produced from a shelf in the shop's storeroom two folded yellow tarpaulins and an olive drab wooden box containing a surveyor's transit. He said that these had been given to him by Individual [REDACTED]

In regard to the transit, Individual [REDACTED] stated he had had plans to do some building and he had asked Individual [REDACTED] several times if he could have the transit and Individual [REDACTED] had finally said to go ahead and take it at the time he left. Individual [REDACTED] said that he had not used the transit and this was partly because he did not feel right about it since it appeared to be government issue. He said he had chipped "U.S." off of the top of the box and he showed the investigator the word "survey" still on the box.

Prior to Individual [REDACTED] going to work for NECO, Individual [REDACTED] and Individual [REDACTED] had given him some lumber and sheets of plywood from which Individual [REDACTED] had constructed some outbuildings on his property on a corner of First Street in Beatty. He said that his son-in-law had told him that these buildings had recently been torn down because of the recent concern about things being removed from the NECO premises.

During most of the time that he worked at the Beatty site, Individual [REDACTED] was [REDACTED] and Individual [REDACTED] was the [REDACTED]. Just before Individual [REDACTED] left the company, Individual [REDACTED] had taken over [REDACTED] and Individual [REDACTED] went to the [REDACTED] site.

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Individual [redacted] said that when Individual [redacted] was the [redacted] he would not let anything be taken from the site. While Individual [redacted] was at Beatty, the employees were allowed to take things from the site as long as they had Individual [redacted] permission. Individual [redacted] said he believed Individual [redacted] would have fired anyone who took something without his permission.

As shipments came in, Individual [redacted] would check the boxes to see if they were high level (radiation) and if not, Individual [redacted] would have the workmen open the boxes and sort out the contents. The high radiation level boxes were dumped in the trench. Individual [redacted] did not know what the threshold was. There was no restriction placed on the workmen about what they wanted to take out. The boxes chosen by Individual [redacted] to be opened would be set on the edge of the trench and opened and the contents spread out on the bank of the trench for everybody to pick out what he wanted. Individual [redacted] would generally survey items for the workmen and he was supposed to check the plywood. Individual [redacted] said this survey was not strictly adhered to - and sometimes workmen would survey items on their own or take them out without survey.

Individual [redacted] remembered only one occasion when "Bennett buckets" came in on a shipment. There were eight or nine of them and they were put in the walls of the trench. He had no knowledge of any being made into septic tanks or sold. He had no recollection of any pipe having been left at the ranch of Individual [redacted] enroute from Project Rulison.

In addition to the items he had reclaimed from the contaminated waste boxes, Individual [redacted] had in his storeroom a 2' x 2' x 2' carton containing several pairs of coveralls which he had taken from the site. These were new - or hardly worn, and were not the type of white coveralls used at nuclear installations and disposed of if contaminated. These were either yellow or magenta colored and made similar to a flight-suit coverall. Individual [redacted] said they were used by the NECO workmen. In a later check of his residence three other coveralls of this type and a drum full of them were also pointed out. It is estimated that approximately two or three dozen coveralls are involved. (There was no evidence of them being contaminated.)

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A signed statement was obtained from Individual [REDACTED], a typed transcript of which is attached to this report as Exhibit #5.

16. Interview With Individual [REDACTED] on March 18, 1976

On March 18, 1976, Individual [REDACTED] was interviewed by representatives of NRC and the State of Nevada. Individual [REDACTED] stated that he was initially employed by NECO as the [REDACTED] at the [REDACTED] facility in August [REDACTED]. In May [REDACTED], he became [REDACTED] at that facility and was subsequently transferred to the Beatty facility [REDACTED] in January [REDACTED]. He indicated he left that position on March [REDACTED].

Individual [REDACTED] stated that upon his arrival at the Beatty facility, he initiated action to clean up the site. He said there was a large number of items, including large machinery, situated above-ground along the fenceline which should have been buried. The facility shop area was also cluttered up with a variety of junk. He recalled that, for example, there were about 16 electrical switch or junction boxes located in the shop area. All of these items were placed in the trench and buried. Individual [REDACTED] further recalled that there were about six Bennett tanks in the trench when he arrived and these were buried. He stated that he did not have a Bennett tank at his residence in his septic system.

Individual [REDACTED] stated that he did not recall the occasion when he reportedly told employees that if they wanted a stack of plywood, it would have to be removed that day because an inspector was due to arrive at the facility the following day.

Individual [REDACTED] recalled that a short time after he [REDACTED] a man came to his office and asked if he had a 300 gallon or larger tank available and wanted to put in an order for the next tank that came into the facility. Individual [REDACTED] however, expressed the opinion that it could not necessarily be concluded from anything the man said that Bennett tanks had been sold or given away before he [REDACTED].

Individual [REDACTED] stated that theft was prevalent at the NECO Beatty facility. He stated that when he came to the facility, everyone had keys to the lock on the gate. He changed the lock but items continued to disappear. He said several NECO-owned hand tools and a portable

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generator were taken from the site. He stated he provided a list of missing items to the Deputy Sheriff stationed in Beatty but no items were recovered.

Individual [REDACTED] said he saw evidence that some containers intended for burial were opened and their contents removed from the site while he was [REDACTED]. He indicated that he recalled seeing unopened containers in the trench on a Friday afternoon and when he arrived at the site the following Monday, the containers were empty. He stated he had seven or eight employees at this time and he could not determine who was responsible for taking things from the site. He indicated he talked to the employees three or four times in an effort to stop these activities. He said he had also heard stories about things being taken from the site before he [REDACTED] but he had no personal knowledge of it. He said he did not report any of these things to anyone because he didn't want any trouble. He said that he did not know whether NECO corporate management had any knowledge concerning the removal of items from the site except that on one occasion he received a telephone inquiry from Individual [REDACTED] about a motor being taken offsite. He advised Individual [REDACTED] he knew nothing about the matter.

Individual [REDACTED] stated he allowed some NECO equipment to be used offsite. The crane had been used to replace a church steeple. Excavation work was performed for the burial of some gasoline storage tanks and some land was graded using NECO-owned equipment. He stated the equipment was surveyed for contamination before it was allowed to be taken from the site and that these activities were consistent with NECO policy.

Individual [REDACTED] stated he did not sell or give anything away that was contaminated and received for burial at the Beatty facility. He stated that he did not witness or condone such activities.

Individual [REDACTED] refused to furnish a signed statement regarding any of the matters covered during this interview.

17. Interview With Individual [REDACTED] on March 18, 1976

On March 18, 1976, Individual [REDACTED] was interviewed by representatives of the NRC and the State of Nevada. Individual [REDACTED] stated that he was initially employed in February [REDACTED] at the Beatty facility.

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In October 1974 he transferred to [REDACTED] where he instituted the [REDACTED] and his position was [REDACTED]

He returned to the Beatty facility in March [REDACTED] as [REDACTED]. He left that position on March [REDACTED]

Individual [REDACTED] corroborated the information previously obtained regarding the use of the cement mixer to pour concrete in the town of Beatty.

Individual [REDACTED] stated that during his first employment at the Beatty facility, all employees had keys to the site and there was no control over the site during non-working hours. While he was [REDACTED] at the Beatty facility, he stated he did not see any Bennett tanks opened and stated he did not see any tanks leave the site. He said the only use of the tanks of which he was aware was that one was emptied during the Summer of 1975 and used as a septic tank on the NECO site. He indicated the original contents of that tank were contained in plastic bags. These were put into the trench and backfilled.

Individual [REDACTED] said he did not actually see other radioactive waste containers opened at the Beatty site. He acknowledged, however, that plywood containers were taken in the trench and he saw the employees bring plywood back from the trench. Some of this plywood was used for various purposes on the site. Some plywood also disappeared from the site but he did not see it being removed. These activities took place while he was the [REDACTED] at the site.

Individual [REDACTED] also said he had seen tools used at the site which had purple paint on them and he knew they had come from naval shipyards. He said he did not have personal knowledge of tools being taken offsite. Individual [REDACTED] stated that there was some equipment such as a welding machine, a grinder and a hydraulic press located in the Beatty facility shop area when he came there to work. He said Individual [REDACTED] advised him that this equipment had come from shipments brought to the site. Individual [REDACTED] also stated that he had heard that some items had been taken to Individual [REDACTED] ranch but he had no personal knowledge to that effect. He went on to say that three or four years ago he heard that some Bennett tanks were sold and that a piece of equipment had been sold to

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Individual [REDACTED] He indicated, however, that he did not have personal knowledge in this area. He said while he was [REDACTED] he received requests for Bennett tanks and the people indicated to him that Bennett tanks had been sold before his employment at the site.

When he was [REDACTED] some people who were not employees indicated to him that previous [REDACTED] had promised them a Bennett tank. They also asked for the plywood box. Individual [REDACTED] however, stated that he refused all such requests. He stated he had, however, given away some wooden pallets and sheets of plywood which had no connection with radioactive waste shipments. The materials were received at the site with shipments of chemical wastes.

Individual [REDACTED] stated that he did not bring these rumors or the things he observed to the attention of corporate management, the State of Nevada or the Atomic Energy Commission. Individual [REDACTED] expressed the opinion that Individual [REDACTED] had to be aware of conditions at the Beatty site and the rumors of items being removed from the site. He indicated that from the corporate level Individual [REDACTED] personally supervised the operation of that facility. He expressed the opinion that neither current corporate management nor Individual [REDACTED] were aware of these matters.

A signed statement was obtained from Individual [REDACTED], a typed transcript of which is attached to this report as Exhibit #6.

18. Interview With Individual [REDACTED] on March 19, 1976

On March 19, 1976 NRC and State of Nevada representatives interviewed Individual [REDACTED] in the presence of Individual [REDACTED]. Individual [REDACTED] stated that he was employed by NECO at the Beatty facility from June [REDACTED] to about December [REDACTED]. He stated that although he was hired as a [REDACTED] and worked in that capacity for a few months, he spent most of his employment as a [REDACTED]. He was again employed at the Beatty facility as a [REDACTED] from May [REDACTED] to February [REDACTED].

Individual [REDACTED] said that during his first employment he saw and participated in the opening of plywood boxes containing radioactive waste. The contents of these containers were emptied into the burial trench to salvage the plywood. The plywood was taken from the site by employees. He said that while he did not have first-hand knowledge of it, he believes that some plywood was sold.

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Individual [redacted] stated that the practice of opening plywood boxes and other containers to obtain tools and other desirable items was a common practice when he started working at the site and had apparently been going on for some time. He indicated that the plywood and other items were checked with a GM survey meter. It was his recollection that 3 mr/hr was an informal generally applied limit used to decide whether to keep an item or bury it. There were occasions, however, when some items showing higher readings were kept and efforts were undertaken to decontaminate them. He said no other checks were made and expressed the opinion that there was no alpha detection equipment available at the site at that time. (NOTE: NRC inspection reports covering this period indicate that operable, calibrated alpha detection instruments were available at the site.)

Individual [redacted] corroborated the information previously obtained regarding the tools being spread out and employees being invited to take whatever they wanted. Individual [redacted] also stated that Bennett tanks were opened, cleaned up and taken off site. He stated he had seen a semi-trailer truck loaded with all kinds of things leave the site destined for Individual [redacted] ranch.

While he could not provide any specific instances or first-hand knowledge in this area, he said Individuals [redacted] and [redacted] worked together salvaging items and subsequently selling them.

Individual [redacted] also stated that several boxes of coveralls were received at the Beatty facility from the Mare Island Shipyard. A supply of these were sent by Individual [redacted] to the NECO facilities in Richland, Washington and Morehead, Kentucky for the use of NECO employees at those sites.

Individual [redacted] stated that during his first period of employment, liquid radioactive waste was picked up at customer's facilities, specifically Atomics International, LRL and a military facility located in Sundance, Wyoming and possibly others. A 2600 gallon, used propane tank was utilized for this purpose. He stated that the tank was taken to the trench upon arrival at the Beatty site and the plug was removed to allow the liquid to drain into the trench. He said he had personally pulled the plug on one or more occasions. He stated this was the only means of disposing of liquid radioactive waste until the solidification facility was installed at Beatty

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in the Spring of 1975. He advised that there was a cement mixer that had been onsite for several years that did not work when he arrived and was never put into working order. He stated that prior to being rehired by NECO, he was engaged by them to pour the concrete pad and to perform other activities related to the installation of the radioactive waste solidification facility. This work was completed before he began his second period of employment in May [REDACTED]. He stated that corporate management in the person of Individual [REDACTED] had to be aware that liquid radioactive waste was being dumped into the trench without being solidified because he was aware liquid waste was being brought to the site and that there was no means to solidify it.

Regarding Individual [REDACTED] knowledge of the other activities taking place on the site during his first period of employment, Individual [REDACTED] stated that he had informed Individual [REDACTED] personally of these matters. Individual [REDACTED] stated that Individual [REDACTED] was a family friend of his and he became concerned about him. He was aware that Individual [REDACTED] respected Individual [REDACTED] and Individual [REDACTED] felt that Individual [REDACTED] would be responsive to him. For that reason, during a trip to the San Francisco area in about August 1969, he called the NECO offices and arranged to meet with Individual [REDACTED]. When he expressed his concern about Individual [REDACTED] welfare in view of the activities going on at the Beatty site, Individual [REDACTED] asked him for specific information concerning these activities. Individual [REDACTED] stated that he then informed Individual [REDACTED] that containers of radioactive waste were being opened and their contents were being taken offsite. He also informed him that plywood salvaged from wood containers as well as Bennett tanks were being taken from the Beatty facility.

Individual [REDACTED] stated that several days after this meeting, Individual [REDACTED] came to the Beatty facility. Individuals [REDACTED] and [REDACTED] left the site together and came back a few hours later. Individual [REDACTED] left the site later in the day without any discussion of these matters with him or the other employees. Individual [REDACTED] took no action and conditions remained unchanged.

Individual [REDACTED] stated that not long after Individual [REDACTED]s visit to the site he began to hear rumors that he was going to lose his job at NECO. In about December of

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all but two employees were layed off. The two that remained were the only two employees having more seniority than Individual . Individual stated that he obtained another job in Las Vegas and spread the word in Beatty that he would not go back to NECO if he was called back from the layoff. A short time later all of the employees, including himself, were called back to work by NECO. Individual said that he declined to return. Individual stated that he heard that Individual had instructed Individual to terminate his employment because he had gone to Individual and that this was the only way it could be accomplished because of his seniority. He indicated he believed that to be the case.

He went on to say that he was rehired by Individual in and that at that time Individual was no longer the NECO. He indicated, however, that Individual still had some relationship with NECO and had visited the Beatty facility during his second employment. He indicated he was informed that Individual was upset when he became aware that Individual was again working for NECO.

A signed statement was obtained from Individual, a typed transcript of which is attached to this report as Exhibit #7.

It was subsequently noted that the termination date of Individual first employment shown in the signed statement was inconsistent with other information provided by Individual during the interview. During the telephone conversation on April 9, 1976, Individual indicated that he was uncertain of the correct date but that the April date shown in the statement was probably incorrect.

19. Interview With Individual on March 19, 1976

During the March 19, 1976 interview with Individual Individual provided the following information to the NRC and State of Nevada representatives.

Individual stated that had been employed by NECO at the Beatty facility from March to late February. Individual stated that radioactive waste containers were apparently being opened and items being removed

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from them at the NECO warehouse facility in the San Francisco area. [redacted] indicated it was [redacted] impression that this was a common practice at that facility and that some items removed from these containers had been sent to Individual [redacted] at the Beatty facility by Individual [redacted] who was employed at the warehouse. [redacted] indicated [redacted] was personally aware of one occasion which took place a few months ago in which a radium clock was sent by Individual [redacted] to Individual [redacted].

20. Second Interview With Individual [redacted] on March 20, 1976

On March 20, 1976, Individual [redacted] was contacted to obtain a signed statement concerning the information he had provided during an earlier interview. A typed transcript of the statement obtained from Individual [redacted] at this time is attached to this report as Exhibit #8.

During that meeting, Individual [redacted] confirmed the fact that he had received a radium clock from Individual [redacted] who is employed at the NECO warehouse in the San Francisco area. Individual [redacted] stated that this was the only item he had received from Individual [redacted] which had come from a shipment of radioactive waste intended for burial by NECO.

Individual [redacted] stated that he was aware that some containers coming to the San Francisco warehouse were cardboard boxes containing clocks and other instruments. He indicated that these boxes sometimes have cracks in them which permit individuals to see what is contained in them. He also indicated that these boxes sometimes get wet and tear so that their contents become visible. He stated that he did not know to what extent containers were opened and articles removed at the San Francisco facility.

21. Interview With Individual [redacted] on March 20, 1976

On March 20, 1976, Individual [redacted] who operates a [redacted] in Pahrump, Nevada was interviewed by an NRC representative.

Individual [redacted] stated that a few years ago he had a casual meeting with Individual [redacted] in a restaurant in Pahrump. During their conversation, Individual [redacted] informed him that a milling machine was available at the NECO Beatty facility and that if Individual [redacted] was interested in buying it, he should contact Individual [redacted]. Individual [redacted]

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Individual [redacted] said that he went to the Beatty facility and made an offer to Individual [redacted]. He recalled that Individual [redacted] made two telephone calls to someone in California and obtained approval to sell the milling machine for the amount he had offered. Individual [redacted] recalled that the machine was checked with two radiation detection instruments before it was loaded onto his truck.

Individual [redacted] identified a Bridgeport milling machine situated in his machine shop as the unit he purchased from NECO. While surveys and wipes were being made of the milling machine by an EPA representative, it was noted that the serial number on the head of the machine was No. J36492. (NOTE: Surveys of the milling machine did not reveal any contamination.)

Individual [redacted] produced a checkbook record of the purchase which indicated that by check No. 3809 he had paid Nuclear Engineering \$500 for a Bridgeport milling machine. Individual [redacted] subsequently furnished a xerox copy of check No. 3809 dated January 3, 1972. The check was made out to "Nuclear Engineering" for \$500 and bears the notation "Bridgeport Milling Machine #47434."

22. Second Interview With Individual [redacted] on March 24, 1976

Individual [redacted] stated that he had been employed by Nuclear Engineering Company as the [redacted] at Beatty from June [redacted] to January [redacted]. In January [redacted] he was transferred to the [redacted] site where he was the [redacted] until April [redacted] when he left the company. He stated that in January [redacted] he had exchanged jobs with the [redacted] at [redacted]. Individual [redacted] stated that while he was at the Beatty site, he was given a free hand by Individual [redacted], the [redacted], to do whatever he could do to maintain good relations with the people of the town of Beatty.

Individual [redacted] stated that this included his using the equipment; namely, the bulldozer and backhoe, to do some grading in the town of Beatty for various municipal projects. He stated that on occasion he had made trades of material that had been delivered to the site for disposal. He had made trades of this equipment for things that were needed on the site. For example, he stated that Individual [redacted] who worked for him had negotiated a trade of four of the Bennett tanks in exchange for

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a 1500 gallon water tank. He stated that Bennett tanks were from Berkeley, and he knew from their origin that they would not have contained any serious contamination such as plutonium. He stated that the contents of these Bennett tanks were dumped in the trench. The tanks were surveyed, washed clean, before they were traded and before they were used as septic tanks.

Individual stated that he needed a septic tank and made one out of a Bennett tank for himself. He stated that it was possible that other employees of his would have taken these tanks for a similar purpose. He stated, however, that he had never sold these tanks to outsiders and had never developed a process of converting them into septic tanks for sale.

In regard to the equipment which came and which was salvageable, he stated that it was the policy that the company had first choice for use of the items at the site and the reasoning behind this was that when the material was placed on the truck it, at that point, became the property of Nuclear Engineering Company. Concerning the question as to whether the material to be disposed of should be retained in a container, Individual stated that it was debatable since, according to one definition the trench in which the material was placed could be considered the container.

He stated that as to the circumstances of so-called "rattlers", this referred to shipments from Mare Island Naval Shipyard in barrels which would rattle. He stated his drivers had gotten word that Mare Island was cleaning out the tool cribs and tool shops and it was these sorts of packages that were opened to see if there were any salvageable tools. He stated that it turned out that about two barrels out of a truck load would have some tools which could be used. For the most part, he stated that items larger than hand tools were put into drums only after they had been cut up with a torch and useless. He stated that this cleaning out of the tool crib at Mare Island took a short time and involved no more than two loads from that location. (On one occasion the Mare Island shipment included 25 brand new MSA full-face masks which were surveyed and used at Beatty.) Concerning pipe that had been recovered from Project Rulison in Colorado and shipped to the site, he stated

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that Individual [REDACTED] was the driver of that truck which contained the pipe and he had no knowledge of any of that pipe being dropped off at Individual [REDACTED] ranch. Individual [REDACTED] stated that his drivers were Individuals [REDACTED] and [REDACTED]

Concerning radium dial clocks, chronographs, etc., Individual [REDACTED] stated that these had come in in a 23-foot trailer load, that they had just been loaded into the trailer with a frontloader, that not all the clocks were in boxes and they they did have radium dials, and they comprised a two or three year accumulation of boxes of clocks which were being disposed of by the Navy. He said quite often those that were in boxes, the boxes weren't sealed and he got a number of these from the Army wherein clocks were shipped in wooden boxes. He stated that these were supposed to be held for inspection by an Army inspector who had told Individual [REDACTED] to save everything coming in from an Army shipment for six months. These were shipped from the Edgewood Arsenal. Individual [REDACTED] recalled that when the Army inspector arrived that he would open boxes and find that there was nothing in them indicating the clocks had been removed prior to shipment.

Concerning the disposal of solutions, Individual [REDACTED] stated that they would try to solidify the material if it were high level and then bury it as a solid. He said this liquid would come in 15-gallon barrels which were enclosed in a 55-gallon barrel as a double container. Individual [REDACTED] stated that he does not recall the threshold at which a decision was made to solidify or dump the liquid directly into the trench. He stated that the flush liquids and resins from Mare Island were dumped directly into the trenches. He stated that with an alkali sand there was a tendency for the liquid to solidify right away anyway and he said there were no problems since it was 400 feet to the water table at Beatty.

Individual [REDACTED] stated that Individual [REDACTED] was always making deals with various facilities for disposal of their materials. He stated that Individual [REDACTED] had made a deal with Individual [REDACTED] of International Chemical Nuclear. This was for a one-time final cleanup of the old U.S. Nuclear site at Burbank wherein it was agreed that one trailer load of waste materials would be disposed of free of charge in exchange for one trailer load of "clean"

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stuff from the U.S. Nuclear site. This "clean" trailer load consisted of a drill press, a welder, a small forklift and a milling machine. It was explained to them that although these units had come from this contaminated facility, that these items had not been in the shop, but were in the fenced yard. Individual [REDACTED] stated that he had made a trip to Burbank and had personally seen these in the fenced yard outside the facility. He stated the forklift had later been sent to the California warehouse of Nuclear Engineering, the welder had been sent to the Kentucky site, and the drill press had been used at Beatty. He stated that the Bridgeport milling machine had been sold for \$500 to a man in Pahrump, Nevada, to an individual whose name he could not recall who had worked at the test site in Nevada.

Individual [REDACTED] stated that on another occasion in one of his deals, Individual [REDACTED] had agreed to dispose of a 9' x 24' x 9' metal tub from Mare Island which had a very low contamination of 2 mr/hr at the bottom of the tub. Individual [REDACTED] had given Mare Island a good price on this disposal because the tub was filled half full of folded yellow tarpaulins which were being disposed of and were not contaminated. Individual [REDACTED] knew that these tarps were clean and consequently had given the Navy a special price on this. In regard to the tarps, again Individual [REDACTED] stated that the company's needs came first and that if the persons who worked for him needed these tarps for some project or other they could be taken.

In regard to the information that Individual [REDACTED] had received a \$100 check from Individual [REDACTED] in payment for a Bennett tank and that Individual [REDACTED] comment had been perhaps Individual [REDACTED] had owed him some money, Individual [REDACTED] stated that he and Individual [REDACTED] had made some swaps. He had traded a dump truck for a horse trailer and that it could have been that Individual [REDACTED] did owe him some money, but that he did not recall the circumstances. Individual [REDACTED] stated that from the information one could not assume that the money received from the tank had been intended for Individual [REDACTED]. Individual [REDACTED] volunteered that \$100 was too cheap a price for the tank, that a septic tank of that size in concrete would cost about \$750 and the price of the Bennett tanks more appropriately would have been \$450-\$500. He would not, however, state that any tanks had been sold at that price.

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On another occasion, Individual [redacted] had made a deal at Mare Island wherein the Navy disposed of 5,000 pair of new coveralls in their original boxes and in separate sizes and in two colors, magenta and yellow. He stated that for the most part they were unused and they were not at all contaminated, but they had been sent to the Beatty site by the Navy in a truck on which a radioactive placard had been hung in order to dispose of them. When these were received at the site, Individual [redacted] stated that he stored them in a shed which was full of them - there were approximately 150 to 200 pairs in a box. He had subsequently sent some of these coveralls around to all the different sites for use as Nuclear Engineering coveralls.

In regard to plywood, Individual [redacted] stated that often the boxes arriving at the site would be coming apart on their own. When placed on the edge of the trench they would fall apart. He stated that for example when San Jose was being torn down, they knew that there was only a low uranium contamination involved and the boxes from that shipment were saved and the wood was used for various projects. Individual [redacted] stated that where this material could be of some use to his employees on a special project they were allowed to use it. He stated that Individual [redacted] told him when he first arrived at Beatty that he needn't worry about his constructing a stable for his horses since he was free to use the lumber and plywood that was stored at the Beatty site which had been taken from the various boxes that had come in for disposal.

A signed statement was obtained from Individual [redacted], a typed transcript of which is attached to this report as Exhibit #9.

23. Second Interview With Individual [redacted] on March 25, 1976

On March 25, 1976 NRC representatives interviewed Individual [redacted]. During this interview, Individual [redacted] corroborated the information provided by Individual [redacted] concerning the dumping of liquid radioactive waste into the burial trench at the Beatty facility. He stated that from the beginning of his employment in June [redacted] until the Spring of [redacted], the Beatty facility had no means of solidifying liquid radioactive waste received at the facility. He said there had been a cement mixer on the site which was apparently intended to be used for

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this purpose and some piping had been rigged up to make it appear that a solidification system was operational. The mixer, however, was never in operating condition to his knowledge.

Individual [redacted] stated that a 2600 gallon tank was used by NECO to pick up liquid radioactive waste from various customers. When the loaded tank arrived onsite it was taken to the trench and the liquid was drained from it.

Individual [redacted] stated that in his opinion corporate management, specifically Individual [redacted], had to be aware that liquid radioactive waste was being disposed of in this manner.

A statement in this regard was obtained from Individual [redacted], a typed transcript of which is attached to this report as Exhibit #10.

At the conclusion of this interview, Individual [redacted] also advised that during a visit to the NECO Richland, Washington facility about five years ago, he participated in the dumping of unsolidified liquid radioactive waste received from Jersey Nuclear into a burial trench at that facility. (NOTE: Follow-up of this allegation at the Richland facility disclosed that the disposal occurred under the jurisdiction of the State of Washington license and with the prior knowledge and approval of the State.)

24. Third Interview With Individual [redacted] on March 25, 1976

On March 25, 1976, Individual [redacted] was interviewed by an NRC representative. During this interview, Individual [redacted] corroborated the information provided by Individuals [redacted] and [redacted] concerning the handling of radioactive waste at the Beatty facility prior to the installation of an operating liquid radioactive waste solidification system in the Spring of 1975. A signed statement in this regard was obtained from Individual [redacted], a typed transcript of which is attached to this report as Exhibit #11. (NOTE: On April 12, 1976 a letter was received from Individual [redacted] amending his March 25 signed statement. A typed transcript of this letter is attached to this report as Exhibit #12.)

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25. Interview With Individual [REDACTED] on March 25, 1976

On March 25, 1976, Individual [REDACTED] was interviewed by an NRC representative. Individual [REDACTED] stated that he has been the [REDACTED] at the Beatty facility since March [REDACTED]. He said that during that time, no liquid radioactive waste was disposed of in the burial trench without first being solidified. He confirmed that the current waste solidification facility was installed during the Spring of 1975 and its first use, according to his log, occurred on May 6, 1975. On that occasion, 800 gallons of liquid waste were processed. Individual [REDACTED] stated that at the time the solidification facility was put into use, there were approximately 23,000 gallons of liquid waste contained in liquid storage tanks awaiting processing.

26. Interview With Individual [REDACTED] on April 1, 1976

Individual [REDACTED] stated that he had been employed continuously by Nuclear Engineering Company since [REDACTED] except for a short period in [REDACTED] when he left the company to serve with the [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Concerning the matter of clocks with radioactive dials that had been received at this facility, he stated there had been a truckload of clocks which were packaged in large cardboard boxes shipped from the Oakland Naval Supply Center which had been received at the NECO warehouse facility about three or four years ago. He estimated that about a dozen clocks had been removed from the trailer before the rest of the shipment was sent on to Beatty for disposal. He stated that similar clocks were on hand at the time the facility was at [REDACTED] when he started work there and that from time to time, someone would call down to the facility from the main office in Walnut Creek and ask him to clean up some clocks and send them up to the Walnut Creek office. He stated that he knows this occurred on at least three or four occasions and that three or four clocks were involved in each case. He assumes that these clocks were given to friends or for rewards. He believes that most of this occurred during the time that the warehouse facility was at Dublin and during the time that Individual [REDACTED] was the [REDACTED]. Individual [REDACTED] stated that the clocks

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were later moved to the San Ramon warehouse and had been stored in the overhead storage area. He said that very recently, perhaps three, four, five or six months ago, he had gone down to Beatty briefly and Individual [redacted] at the Beatty facility had asked him if he had gotten any clocks out of that shipment. Individual [redacted] stated that he had and Individual [redacted] asked if he could have one sent down to him since Individual [redacted] indicated that most of those delivered to the Beatty facility had been buried. Individual [redacted] stated that when he got back to the San Ramon facility, he found the last remaining clock and had cleaned it up and sent it down to Individual [redacted] shipping it down on one of the waste loads. Individual [redacted] stated that he had taken one of the clocks for himself and had mounted it in the floorboard of a pickup truck that he had owned. He stated that he had subsequently sold the truck to a person whose name he could not remember, who lived in the Hayward-Castro Valley area. He had intended to remove the clock before the vehicle was sold, but had neglected to do so. (The license number and description of the truck was given to the State Inspector for followup.)

Individual [redacted] stated that all truck drivers making pickups of waste material in less than carload lots from facilities in California and in the northwest were supposed to stop in at the California warehouse facility prior to traveling to Beatty, Nevada, for disposal. Individual [redacted] stated this was for the purpose of adding to the load waste material collected at the warehouse facility. Sometimes, however, the truck drivers would bypass the warehouse facility and drive straight on through to Beatty. Individual [redacted] stated this annoyed Individual [redacted] when he was the [redacted] at Dublin because it did not permit him to make his selection from the items which were being sent to Beatty for disposal. Individual [redacted] stated that it was standard practice for these shipments to be examined as they came into the warehouse facility to determine what, if anything, might be salvageable. Individual [redacted] stated that he remembered a whole load of Herculite yellow tarpaulins that the Navy said were the wrong color and which were being shipped from Mare Island. Individual [redacted] had learned from Individual [redacted] at Mare Island, that these tarps were being disposed of [redacted] had instructed the driver to stop at Dublin enroute to Beatty. However, the truck driver went straight on through and the Dublin facility was not able to obtain tarps from that shipment. Individual [redacted] complained to the Beatty site manager who

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subsequently sent some tarps back to Individual but they were old discarded tarps that had been previously used at the Beatty facility.

Concerning the matter of tools, Individual stated that he and Individual would look for tools on incoming shipments. Individual stated that he never took any for his personal use, but that they were taken out of the waste barrels for use at the Dublin facility. Individual stated that the barrels coming in from Mare Island would have the words "Scrap Metal" on the tops and he said that the Navy monitors would tell the truck drivers that there were lots of tools in those barrels and would indicate to the truck drivers that they had already had their pick. When these barrels would come through the Dublin facility, he and Individual would lay plastic out on the floor, open the barrels and dump the tools out to sort through and take out everything they needed. Individual stated that every tool that had come from the Mare Island facility had the letters "CTR" inscribed on it which stood for Central Tool Room. Also, they were painted with magenta paint. He said that Individual had Individual and another employee, Individual clean these tools up using paint remover. Individual stated this was not so much for decontamination procedure as to remove the magenta paint, because Navy inspectors would subsequently come through the facility and Individual did not want them to recognize any tools by their paint markings.

Individual stated that he had known for five or six years back that things from the waste shipments were being used down at Beatty and that Individual had known that Individual had been using company equipment on company time for outside projects. Individual stated that it was his opinion that Individual had not said anything to NECO management about what had gone on at Beatty because they would only think that he was attempting to get his job back at Beatty and replace Individual. When Individual left the Dublin facility he, at that time, told Individual to take all the tools that were marked CTR and everything else that was illegal and dispose of them in the next waste load going to Beatty. Individual stated that Individual indicated that it was okay for these to have been taken from the waste shipments and to be used for as

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long as he (Individual) was there, but he didn't want to leave the place with any of this material still around.

Individual stated that Bennett tanks were never taken off the shipments that came through the warehouse facility, principally because they were too big. They weighed four to five thousand pounds and their equipment couldn't handle this type of item.

Concerning shipments of solutions, Individual stated that resin tanks which were made in Antioch were delivered to Mare Island by the NECO drivers. He stated the resin slurries would be placed in these tanks and the water pumped out of them so there would be less than 1% water in the tanks. Then, these catch tanks would be placed inside B2 casks. The entire cask would be shipped to Beatty and each cask would contain approximately 7-1/2 cubic feet of resin. Individual had no knowledge of any resins having been disposed of directly into trenches at Beatty or elsewhere. He also stated he had no knowledge of any arrangements Individual had made for an exchange of equipment from the U.S. Nuclear facility in Burbank in return for disposal of contaminated material.

Individual could not identify which forklift might have come from U.S. Nuclear. He stated that the oldest forklift on the place, which he did not recall where it had come from, was the Buda which had been there in 1967. It had been recently completely refinished with all the paint stripped off and repainted. (A survey of this forklift did not detect any contamination. Two other forklifts in the facility admittedly were contaminated and had come from other sources.)

A signed statement was obtained from Individual a typed transcript of which is attached to this report as Exhibit #13.

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V. D. Bennett Buckets

1. As discussed in Section III, one of the types of items removed from the NECO site was a large (about 200 ft<sup>3</sup>), cylindrical steel shipping container referred to as a Bennett Bucket (B.B.). These containers were, and still are, used by LLL and LBL to ship radioactive waste for disposal. Records indicate that contents of B.B.'s generally consisted of a wide variety of noncompressibles varying from animal carcasses to filters to sewer pipes to gloveboxes to parachutes. Radioisotopes varied, but the presence of special nuclear materials was not uncommon. Generally items within B.B.'s were bagged or sealed to contain contamination but the potential for the B.B. itself becoming contaminated is real. Notwithstanding the fact that the company's license prohibited the opening of these containers and required them to be disposed of by burial in soil within six months from the date of receipt, it was stated by Individual [redacted] that the usual practice was to remove the contents from a B.B., wash it out with a hose, possibly it would be surveyed and then it was considered available for offsite use. Individuals [redacted] and [redacted] stated that B.B.'s were commonly used offsite as septic tanks, although other uses were likely.
2. During the course of surveying Beatty and vicinity, 22 1/2 B.B.'s were located. Their uses included: one for septic tank, one for nonpotable water source at a family residence (Individual [redacted] residence), one for potable water source at a family residence (Individual [redacted] residence), four welded together as a storage silo at a cement plant, several for animal grain storage, several as water storage for animal use and several just lying around not in use. It was also noted that NECO road signs located one mile on either side of the facility entrance were made from B.B. lids. Serial numbers were legible on five of the located B.B.'s. Review of LBL and LLL records disclosed that these particular B.B.'s were shipped for disposal on 11/3/69, 1/26/70, 11/4/70, 6/7/71 and 5/15/72. Although it is not known what happened to the contents of these B.B.'s, it is obvious that the containers were not buried within the required six-month period.
3. Surveys (except the septic tank) on all the B.B.'s showed no evidence of contamination. Water samples from the two B.B.'s used for home water supply were analyzed for gamma radioactivity, tritium and plutonium. Both samples were negative for each type analysis. In one instance, soil adjacent to a B.B. found at a local mine indicated the

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presence of some radioactivity. The B.B. was lying on its side and two small spots about one foot from the open edge of the B.B. indicated 350 uR/hr and 50 uR/hr, respectively. Soil samples taken at these spots indicated the presence of Sb-125 at a concentration of  $4.6 \times 10^{-6}$  uCi/gm and lesser concentrations of Co-60, Cr-51, Ag-110M and Ag-108M. The B.B. itself did not show any evidence of contamination.

4. Individuals ~~and~~ ~~and~~ have indicated that during the period that Individual ~~was~~ ~~upwards to 95%~~ of the B.B.'s received were never buried. LLL and LBL records indicate that approximately 141 B.B.'s would have been shipped during this time frame. Considering a 95% distribution factor and allowing for the B.B.'s already located, approximately 111 B.B.'s remain unaccounted for. In an effort to locate and survey (where possible) these B.B.'s, NRC IE:V issued on March 30, 1976, 1500 postal patron addressed letters (Attachment D) covering the geographical areas which could reasonably be affected. The letters contained an explanation with a questionnaire and postage paid, return addressed envelopes. Results of this effort will be the subject of a later supplement to this report.

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V. E. Liquid Waste Handling Practices at Beatty Facility

1. Condition 17 of License No. 04-3766-01 incorporates the licensee's procedures and specifies conditions for processing and disposal of radioactive waste received in liquid form. Large quantities of low level liquid wastes have been transported to the Beatty site in a NECO tanker truck authorized by a Special Department of Transportation permit. The license requires that these liquids be solidified using Portland Cement and other materials prior to burial.
2. During the course of the overall investigative effort, Individual [redacted] disclosed that in the past, liquid wastes received at the Beatty facility were disposed of directly into the burial trench without solidification. During followup investigation of this particular matter, employees [redacted] and [redacted] and former employees [redacted] and [redacted] made signed statements to the effect that during the period 1966 to 1975 the solidification system was not operable, and liquid waste from the tanker was released directly to the burial trench without solidification as required by the license. Copies of those statements are included as Exhibits 11, 10, 9 and 7, respectively, to this report. Exhibit 12 is a letter received from Individual [redacted] amending his statement in Exhibit 11.
3. Examination of records of liquid waste received by NECO at Beatty revealed the following:

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<u>Calendar Year</u>	<u>Gallons Received</u>	<u>Total Activity mCi</u>	<u>Principal Isotopes</u>
1966	27,700	1178	Mixed Fission Products (MFP)
1967	11,800	175	MFP
1968	20,900	84	MFP
1969	13,100	734	Sr-90, Co-60, C-14, H-3, Cs-137, P-32, MFP
1970	5,200	94	MFP
1971	2,400	600	Co-60, Cs-137, Mn-54
1972	3,300	694	H-3
1973	No Record of Receipts for 1973 were reviewed. However, NECO management stated that a few thousand gallons were received.		
1974	13,565	233	H-3, Co-58, Co-50, Mn-54
1975	100,296	17625	H-3, Co-58, Co-60, Mn-54, Cs-137, Cr-51

4. License No. 04-3766-01 also authorizes transportation and solidification of liquid waste received in DOT approved double wall containers surrounded by absorbent material. However, Condition 12 limits burial of packages to those containing only solid materials and limits opening and solidification of liquids received in packages to those which do not exceed a radioactive concentration of  $10^{-1}$  microcuries per milliliter. Individual [redacted] stated that in some cases packages of liquid waste received in double wall containers surrounded by absorbent were opened and liquid was dumped directly into the trench, and in some cases the liquid was solidified. In addition, Individuals [redacted] and [redacted] stated to the inspectors that normally these double wall packages containing liquid were placed in the trench as received, without solidification or other processing.

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5. Examination of records of liquid waste received by NECO at Beatty revealed that numerous shipments of this type were received each year. Examples of typical shipments of this type are as follows:

<u>Date Received</u>	<u>Gallons Received</u>	<u>Total Activity mCi</u>	<u>Principal Isotopes</u>
7-22-66	19	4.83 grams	U-235
2-23-66	10	8	C-14
3-29-67	4	11	P-32, H-3, C-14
12-11-67	1	15	H-3
6-19-68	9	82.6	P-32, H-3, C-14
8-8-68	57	"Negligible"	U-235
3-17-69	60	1306	C-14, I-131, P-32, I-125, Cr-51, Fe-59
10-29-70	10	8	C-14, H-3
12-29-70	5	.011	U-235
7-28-71	5	4.68 curies	H-3
7-22-72	330	3.5 curies	H-3
5-9-73	30	1212	H-3, C-14
5-29-75	36	161.5	H-3, C-14, I-125, P-32, Na-22, Cd-36, Ca-45
7-8-75	72	56.8	H-3, C-14, I-125, Na-22, P-32, Cr-51

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V. F. Environmental Sampling

1. During a February 1976 inspection at Beatty regarding the possible migration of radionuclides from the site, vegetation and soil samples were collected and transmitted to the Health and Safety Laboratory (HSL), Idaho Operations Office, ERDA. In conjunction with this special round of inspections, the soil and vegetation samples were not analyzed. On March 9, HSL was requested to do gamma analysis of these vegetation and soil samples. On March 10, HSL provided the results of analyses of three vegetation samples and two soil samples. Two vegetation samples both on the south side of the site showed indication of radionuclides other than those observed in fallout and other than fallout levels of <sup>60</sup>Co and <sup>137</sup>Cs. As a result of these analyses, HSL was requested to perform transuranic analyses of all the positive vegetation and soil samples. In addition, they were requested to analyze soil and vegetation samples which were collected in November 1974. Inspectors at the site were also requested to obtain additional soil and vegetation samples in the area adjacent to the burial site and at controlled locations.
2. The results of these measurements indicate that there is some radionuclide activity above background levels that is attributable to site operations. This activity appears to be limited to the southern perimeter of the radioactive waste burial site. Samples from the other three sides of the site in general contain only those levels of radionuclides that can be attributable to fallout. The concentration of activity above fallout is low and of no public health significance, particularly since there is no pathway to humans. The results appear to indicate that the environmental activity is not recent since consistent levels were detected in the 1974 samples. There is also a pattern of decreasing activity going away from the site in the dominant wind direction which is also consistent with the conclusion that the activity is due to burial site operations. Further environmental samples will not be taken at this time since the results indicate that there is no public health problem.

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V. G. Whole Body and Bioassay Analyses

1. A total of eight individuals were identified by the NRC for whole body counting and bioassay sampling. The individuals were selected on the basis of the highest probability of internal exposure due to the possession of contaminated articles or the use of B.B.'s for potable and nonpotable water supplies. In addition, the State of Nevada identified a number of present and former NECO employees for whom evaluation of internal deposition was desirable. The analyses were performed by the Environmental Monitoring and Support Laboratory (EM&SL), US EPA, Las Vegas, Nevada. The EM&SL has engaged in the evaluation of residents from communities and ranches surrounding the test site for a number of years in support of test site activities. Selected families and individuals from these localities have been examined on a continuing basis. Three of the eight individuals identified by NRC for evaluation were former or current participants in the test site evaluation program.
2. Whole body counts were performed using two systems the first of which is a single sodium iodide, 11 inch diameter by 4 inch thick, crystal, coupled to seven photomultiplier tubes. The detector output is supplied to 200 channels of a 400 channel TMC analyzer. This system has a sensitivity for cesium-137 of approximately five picocuries per kilogram. This system can identify approximately one nanocurie of most gamma emitters.
3. Data provided by EPA for the eight individuals identified by NRC and seven individuals identified by the State are reported below:

	<u>Individual</u>	<u><sup>137</sup>Cs(pCi/Kg)</u>	<u><sup>40</sup>K(μm/Kg)</u>
NRC Group		25.2	1.52
		6.2	1.67
		14.8	1.34
		7.8	1.09
		8.0	1.59
		20.1	1.42
		23.2	2.03
		<5	1.76
State Group		14.0	1.70
		31.9	1.39
		17.9	1.46
		11.34	1.41
		<5	1.71
		6.6	1.62
		12.4	1.69

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4. The EPA, EM&SL reported that the normal range for  $^{137}\text{Cs}$  is in the range of  $\leq 5 - 50$  pCi/Kg with an average of approximately 20 pCi/Kg. No other gamma emitting nuclides were identified.
5. The second system, for plutonium-239 screening, uses a cesium iodide-sodium iodide phoswich (each segment is 1 inch by 3 inches in diameter) coupled to a single photomultiplier. The signal is supplied to 200 channels of the 400 channel TMC analyzer. The detector is held in the armpit and one count is made on each side of the chest. The phoswich is used for screening for bioassay since EM&SL has no method for evaluating and correcting for chest wall thickness and has not established the sensitivity of this system. The eight individuals counted at the request of NRC were compared with counts of 100 EPA employees, none of whom has known plutonium exposure.
6. Seven of the individuals [REDACTED] indicated counts less than the 50 percentile position. The eighth individual [REDACTED] was at approximately the 55 percentile position. One [REDACTED] of two individuals [REDACTED] counted at the request of the State fell in the 88 percentile position. None of the plutonium counts on the 10 individuals indicate a statistical probability of internal deposition. Additional data on counting of personnel requested by the State will be available at a later date.

No bioassay data was available at this time. Approximately 30 days are required for the urinalyses being performed. An additional delay was incurred by the necessity for resampling to obtain larger samples. Bioassay data will be reported when it becomes available.

90003195

V. H. Inspection of NECO Richland, Washington Facility

1. As briefly mentioned earlier, an NRC inspector and investigator were dispatched March 11 to the NECO disposal site at Richland, Washington to assure a similar problem did not exist at that location. During the period of March 12-13, all the current employees and several other individuals were privately interviewed. Individuals interviewed included the current site manager who has been in that position since 1968, two full time employees, one part time employee, the secretary, a former employee of the company which operated the site prior to NECO assuming operations in 1968 and a former manager of a NECO California warehouse, who used to deliver waste to the site. No information was obtained during these interviews that indicated any radioactive material has ever been removed from the site.
2. Visual observations and alpha contamination surveys of private residences were conducted along with interviews. Visual observations were made at six of the seven residences and contamination surveys at five. The surveys covered such items as shoes that were worn at the Richland burial site, tools, equipment, containers, pieces of wood, wood cabinets and shelving, hoses and miscellaneous items. The surveyed areas included bedrooms, living and dining rooms, garages, basements and shops. No contamination or contaminated items were found. The disposal site itself was found to be clean and orderly.
3. Subsequent to the Richland visit, it was realized that the NRC investigator was a former colleague of two of the individuals interviewed, including the site manager. To avoid any potential conflict of interest, another NRC investigator, accompanied by an inspector, was dispatched to Richland. During the period of March 24-25, the site manager, the secretary and the part-time employee were each privately reinterviewed. In addition, another former employee was located and interviewed. Radiation surveys, including alpha and beta/gamma contamination surveys were also performed. Results of these interviews and surveys reaffirmed the original findings that radioactive materials have apparently never been removed from the site.

90003196

- 14 -

STATEMENT OF INDIVIDUAL

I, Individual [redacted] make the following statement freely and voluntarily to G. A. Phillip who has identified himself to me as an Investigator, Office of Inspection and Enforcement, U. S. Nuclear Regulatory Commission. I have been advised by Mr. Phillip that I do not have to make a statement and that any statement I do make may later be used in a court of law.

I have been employed at the NECO Beatty facility since about June [redacted]. From sometime in [redacted] until early [redacted] Individual [redacted] was the [redacted]. During most of the time Individual [redacted] was [redacted] many radioactive waste containers that came to the site for burial were opened and many of the containers, boxes and Bennett tanks, as well as the contents of the containers were taken from the site. This activity took place with the knowledge, consent and participation of Individual [redacted].

While I do not have personal knowledge that anyone at the corporate level of NECO was aware of this activity, I have been informed by a former NECO Beatty facility employee that he brought this matter to the attention of Individual [redacted] in about 1969, and Individual [redacted] took no action to stop these activities. Individual [redacted] was at that time [redacted].

I have read the above statement and it is true and correct to the best of my knowledge and belief.

Individual [redacted]  
Signed March 19, 1976

Exhibit #1

90003197

STATEMENT OF INDIVIDUAL

I, Individual, make the following statement freely and voluntarily to Mr. G. A. Phillips who has identified himself to me as an Investigator, Office of Inspection and Enforcement, United States Nuclear Regulatory Commission. I have been advised by Mr. Phillips that I do not have to make a statement and that any statement I do make may later be used in a court of law.

I joined Nuclear Engineering Company, Inc., in March. My

I had no notice or knowledge, prior to February 20, 1976, of any diversion of materials intended for disposal at either the Beatty, Nevada or Richland, Washington sites of Nuclear Engineering Company, Inc., or the improper use of the Beatty, Nevada cement mixer.

I have read the above statement, and it is true and correct to the best of my knowledge and belief.

Dated this 2nd day of April 1976.

Individual  
Signed

Exhibit #2

90003198

STATEMENT OF INDIVIDUAL

I, Individual [redacted], make the following statement freely and voluntarily to Mr. G. A. Phillips who has identified himself to me as an Investigator, Office of Inspection and Enforcement, United States Nuclear Regulatory Commission. I have been advised by Mr. Phillips that I do not have to make a statement and that any statement I do make may later be used in a court of law.

I joined Nuclear Engineering Company, Inc. as [redacted]  
[redacted]

I had no notice or knowledge, prior to February 20, 1976, of any diversion of materials intended for disposal at any of Nuclear Engineering Company, Inc.'s sites, or the improper off-site use of the cement mixer at the Beatty, Nevada site.

I have read the above statement and it is true and correct to the best of my knowledge and belief.

Dated this 25th day of March 1976.

Individual  
Signed [redacted]

Exhibit #3

90003199

STATEMENT OF INDIVIDUAL

I, Individual [redacted], make the following statement freely and voluntarily to Mr. G. A. Phillips who has identified himself to me as an Investigator, Office of Inspection and Enforcement, United States Nuclear Regulatory Commission. I have been advised by Mr. Phillips that I do not have to make a statement and that any statement I do make may later be used in a court of law.

I joined Nuclear Engineering Company, Inc. in June [redacted] My [redacted] is [redacted]

I had no notice or knowledge, prior to February 20, 1976, of any diversion of materials intended for disposal at either the Beatty, Nevada or Richland, Washington sites of Nuclear Engineering Company, Inc., or the improper use of the Beatty, Nevada cement mixer.

I have read the above statement, and it is true and correct to the best of my knowledge and belief.

Dated this 25th day of March 1976.

Individual [redacted]  
Signed

Exhibit #4

90003200



STATEMENT OF INDIVIDUAL

I, Individual [REDACTED], make the following free and voluntary statement to John J. Ward who has identified himself to me as a representative of the U. S. Nuclear Regulatory Commission.

While I was employed by Nuclear Engineering Company at Beatty, Nevada in [REDACTED] and [REDACTED] the [REDACTED] was Individual [REDACTED].

Individual [REDACTED] gave me some plywood from the Nuclear Engineering premises before I went to work there. After I was working there, I was permitted by Individual [REDACTED] to take home for my personal use a number of tools, dyes, drill bits and other items. I was also permitted to take sheets of plywood from the premises. Some of these items had come from boxes of contaminated material shipped to the facility for disposal. Individual [REDACTED] would authorize the opening of boxes and permit the workers to make their selection of items from the boxes.

I have no knowledge of any of these items having been offered for sale or sold by Individuals [REDACTED] or [REDACTED].

Individual [REDACTED] gave me a surveyor's transit in a fitted case which had borne U. S. markings. I do not know where this had come from.

Individual [REDACTED]  
Signed March 17, 1976

Exhibit #5

90003201

STATEMENT OF INDIVIDUAL

I, Individual [REDACTED], make the following statement freely and voluntarily to G. A. Phillip who has identified himself to me as an Investigator, Office of Inspection and Enforcement, U. S. Nuclear Regulatory Commission. I have been advised by Mr. Phillip that I do not have to make a statement and that any statement I do make may later be used in a court of law.

I was [REDACTED] at the NRCO, Beatty facility from February [REDACTED] to about October [REDACTED]. After working at [REDACTED] I returned to the Beatty facility as its [REDACTED] in March [REDACTED] and left that position in March [REDACTED].

During the time I worked at the Beatty site I heard that radioactive waste containers and some of their contents were being taken from the site. I do not have any firsthand personal knowledge of these things.

While [REDACTED] was [REDACTED] permit or condone any of these activities to occur. I made every reasonable effort to prevent such containers and/or radioactive waste from leaving the facility.

I have read the above statement and it is true and correct to the best of my knowledge and belief.

Individual [REDACTED]  
Signed March 18, 1976

Exhibit #6

90003202

STATEMENT OF INDIVIDUAL

I, Individual [REDACTED], make the following statement freely and voluntarily to G. A. Phillip who has identified himself to me as an Investigator, Office of Inspection and Enforcement, U. S. Nuclear Regulatory Commission. I have been advised by Mr. Phillip that I do not have to make a statement and that any statement I do make may later be used in a court of law.

I was employed by MECO at the Beatty facility from June [REDACTED] to April [REDACTED] and again from about August [REDACTED] to February [REDACTED]. During the first employment, I had knowledge that boxes were being opened and Individual [REDACTED] and Individual [REDACTED] were aware of this being done. Boxes and drums of radioactive waste were being opened and many items contained in them were taken from the facility.

During one of my trips to the Bay Area in about August 1969, I contacted Individual [REDACTED] in regard to the capability of Individual [REDACTED] to [REDACTED] the site. During this conversation, Individual [REDACTED] asked me for specifics as to what was going on at the site. I informed him that plywood from shipping boxes, Bennett tanks and tools from radioactive shipping containers were being taken from the site. About two weeks later, Individual [REDACTED] came to the site and held discussions with Individual [REDACTED] but no action was taken nor was anything said to the employees. The above mentioned activities continued unchanged.

During the first period of employment, I was personally aware that tanks of radioactive liquid wastes were emptied into the trench. Individual [REDACTED] was aware this was being done. Individual [REDACTED] knew these liquid wastes were coming to the site and that there was no means of solidifying it before it was put into the trench.

I have read the above statement and it is true and correct to the best of my knowledge and belief.

Individual [REDACTED]  
Signed March 19, 1976

Exhibit #7

90003203

STATEMENT OF INDIVIDUAL

I, Individual [REDACTED] make the following statement freely and voluntarily to G. A. Phillip who has identified himself to me as an Investigator, Office of Inspection and Enforcement, U. S. Nuclear Regulatory Commission. I have been advised by Mr. Phillip that I do not have to make a statement and that any statement I do make may later be used in a court of law.

I have been employed at the NECO Beatty facility since June [REDACTED]. During all of my employment some containers of radioactive waste received at the facility were opened and containers as well as some of their contents were allowed to leave the site. All of the [REDACTED] Individuals [REDACTED] and [REDACTED] permitted this to occur. Individual [REDACTED] supervised the opening of containers and the removal of their contents. He actively engaged in the removal of plywood salvaged from box containers and Bennett tanks from the site as well as items taken from various containers received as radioactive waste for burial at the site.

I have read the above statement and it is true and correct to the best of my knowledge and belief.

Individual [REDACTED]  
Signed March 20, 1976

Exhibit #8

90003204

- 14 -

STATEMENT OF INDIVIDUAL

I, Individual [REDACTED], make the following free and voluntary statement to John J. Ward, who has identified himself to me as a representative of the U. S. Nuclear Regulatory Commission.

I was employed by Nuclear Engineering Company (NECO) from about June [REDACTED] to April [REDACTED]. From June [REDACTED] to January [REDACTED] I was [REDACTED] at the Beatty, Nevada disposal site. From January [REDACTED] to April [REDACTED] I was [REDACTED] at the [REDACTED] site.

While I was at the Beatty site it was the approved policy to reclaim usable discarded items received in waste shipments which had low levels\* of contamination. The company had first choice, but NECO employees were permitted to take for their own use any items they might want or need for a personal project. This included sheets of plywood from the waste shipment crates, tarps, hand tools, clocks, coveralls, and "Bennett tanks."

I personally used plywood from the site to construct [REDACTED] at my residence in Beatty. I also adopted a "Bennett" tank, and coated it with tar so that I could use it for a septic tank at my residence.

While these items were not normally sold to other persons in Beatty or elsewhere, they were used in swaps for equipment or services. Four of the Bennett tanks were traded to a cement dealer in exchange for a 1500 gallon water tank.

With the approval of the [REDACTED] Individual [REDACTED] I sold a Bridgeport milling machine to a man in Pahrump, Nevada for \$500. The check for this item was made out to Nuclear Engineering Company. The milling machine had come from the ICN Burbank plant in a deal made between Individual [REDACTED] and Individual [REDACTED] of ICN.

This was for a one time final cleanup wherein one trailerload of contaminated waste would be disposed of free of charge in exchange for one trailerload of "clean" stuff from the Burbank facility. The "clean" items were from the fenced compound at the Burbank facility and included, in addition to the milling machine, a welder (later sent to Moorhead), a small forklift (later sent to the California warehouse) and a drill press (used at Beatty).


\*(nondetectable)

90003205

Exhibit #9

When solutions in containers were delivered to the site for disposal, their containers would be opened and if the levels permitted the solutions would be poured directly into the trenches. These included liquid resins from Mare Island Naval Shipyard and 15 gallon containers from laboratories. High level solutions were put in storage tanks for later solidification.

I have read the above statement which is true and correct.

Individual   
Signed March 25, 1976

90003206



STATEMENT OF INDIVIDUAL

I, Individual [REDACTED], make the following statement freely and voluntarily to G. A. Phillip who has identified himself to me as an Investigator, Office of Inspection and Enforcement, U. S. Nuclear Regulatory Commission. I have been advised by Mr. Phillip that I do not have to make a statement and that any statement I do make may later be used in a court of law.

From at least the beginning of my employment at the NECO Beatty facility in June [REDACTED] until the installation of a solidification facility in about March or April [REDACTED] all liquid radioactive waste received at the Beatty facility was dumped into the trench as liquid. Although there was a mixer on the site, it was inoperable and therefore there was no means of solidifying the liquid wastes for burial.

All of the individuals who [REDACTED] at the Beatty facility were aware of this situation, and it is my opinion that NECO corporate management had to be aware that radioactive liquid wastes were being received and that there was no means of solidifying it before it was buried.

I have read the above statement and it is true and correct to the best of my knowledge and belief.

Individual [REDACTED]  
Signed March 25, 1976

Exhibit #10

90003207

STATEMENT OF INDIVIDUAL

I, Individual [redacted] make the following statement freely and voluntarily to G. A. Phillip who has identified himself to me as an Investigator, Office of Inspection and Enforcement, U. S. Nuclear Regulatory Commission. I have been advised by Mr. Phillip that I do not have to make a statement and that any statement I do make may later be used in a court of law.

From at least the beginning of my employment at the NECO Beatty facility in June [redacted] until the installation of a solidification facility in about March or April [redacted] all liquid radioactive waste received at the Beatty facility was dumped into the trench as liquid. Although there was a mixer on the site, it was inoperable and therefore there was no means of solidifying the liquid wastes for burial.

All of the individuals who [redacted] at the Beatty facility were aware of this situation, and it is my opinion that NECO corporate management had to be aware that radioactive liquid wastes were being received and that there was no means of solidifying it before it was buried.

I have read the above statement and it is true and correct to the best of my knowledge and belief.

Individual [redacted]  
Signed March 25, 1976

Exhibit #11

90003208

LETTER SENT BY INDIVIDUAL

Dear Mr. Phillip:

On March 25th 1976 I was requested by you and Mr. H. Book of NRC Region #V to sign a statement concerning the disposition of Rad. Waste Liquid received at our site.

Since then I keep thinking I've given you some misleading information.

As stated it is true that there were no liquids solidified from the time I hired in June [REDACTED] until the present Solidification system was put into operation.

I don't think at that time I informed you that we had stored in the neighborhood of 38,000 gal. of Rad. Liquid in storage tank. This liquid was solidified when the system went into operation. This storage was started in mid 1973.

I think that you and my company should know this.

Please accept this letter as being written on my own free will and as my suggestion.

If you have any questions concerning this, please feel free to call me, or call on me.

Sincerely,

Signed Individual [REDACTED]

cc: File

[REDACTED]  
Individual  
H. Book, NRC Region V  
Individual [REDACTED]

Exhibit #12

90003209

STATEMENT OF INDIVIDUAL

I, Individual [redacted], make the following free and voluntary statement to John J. Ward, who has identified himself to me as a representative of the U. S. Nuclear Regulatory Commission.

Prior to [redacted] when I first came to work for Nuclear Engineering there were several clocks (anywhere from 6 to 15) stored in the Cowell NECO facility. On occasion I would be asked by the Walnut Creek office to clean some of them up and send them to the office. I had taken one of the clocks and put it in my pickup truck but I subsequently sold the car. It was a radium dial clock mounted in the floorboard. About 5 or 6 months ago I found a clock in the San Ramon warehouse and at Individual [redacted] request sent it to him.

When barrels of tools were sent down from Mare Island they would occasionally be opened by Individual [redacted] and myself for salvage purposes. The tools would be placed on plastic and surveyed before being taken for use at the facility.

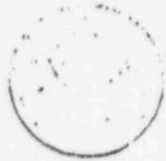
These tools later would be cleaned up to remove the magenta paint.

I have read the statement above which is true and correct.

Individual [redacted]  
Signed April 1, 1976

Exhibit #13

90003210



STATE OF NEVADA  
DEPARTMENT OF HUMAN RESOURCES  
DIVISION OF HEALTH  
CARSON CITY, NEVADA 89601

STATEMENT OF AUTHORITY  
FOR INVESTIGATION

An investigation is currently being conducted by the State of Nevada, Department of Human Resources through its Health Division, to ascertain the existence of radioactive materials in undesignated areas which may be located in and around the town of Beatty, and to determine the extent of such radioactivity once it is located.

In order to accomplish this investigation, it will be necessary that authorized representatives of the State Health Division, assisted by Federal radiological health personnel as authorized representatives, enter private and public property for the purpose of inspection for radioactivity and, if discovered, the impoundment of materials found to be radioactive.

The authority under which the investigation is being conducted is Chapter 459 of Nevada Revised Statutes. The applicable provisions of Nevada Revised Statutes are as follows:

NRS 459.050 Inspections.

1. Any authorized representative of the health division may enter at any reasonable time upon any private or public property for the purpose of determining whether there is compliance with or violation of the provisions of NRS 459.010 to 459.160, inclusive, or of the rules and regulations promulgated under NRS 459.010 to 459.160, inclusive, and the owner, occupant or person in charge of such property shall permit such entry and inspection.

2. Entry into areas under the jurisdiction of the Federal Government shall be effected only with the concurrence of the Federal Government or its duly designated representative.

3. Any reports of investigation or inspection, or any information concerning trade secrets or secret industrial processes contained under NRS 459.010 to 459.160, inclusive, shall not be disclosed or opened to public inspection except as may be necessary for the performance of the functions of the state board of health.

POOR ORIGINAL

ATTACHMENT B

90003211

Statement of Authority for Investigation  
Page 2

NRS 459.150 Impounding of materials.

In the event of any emergency, the health division may impound, or order the impounding of, sources of ionizing radiation in the possession of any person who is not equipped to observe, or who fails to observe, any provision of NRS 459.010 to 459.160, inclusive, or any rules or regulations issued under NRS 459.010 to 459.160, inclusive.

During the investigation, every effort will be made to minimize disruption of private and public business and domestic tranquility with a view, however, to providing maximum protection to Nevada citizens located within and about the Beatty area. Impounded property will be appropriately identified, and will, if subsequently found to be safe, be returned to the owner.

Dated 9 March, 1976.

J. R. Carr M.D.  
John R. Carr, M.D.  
State Health Officer

POOR ORIGINAL

90003212



STATE OF NEVADA  
DEPARTMENT OF HUMAN RESOURCES

DIVISION OF HEALTH  
CARSON CITY, NEVADA 89601

March 8, 1976

RESTRICTED MAIL  
NUCLEAR FACILITY REQUESTED

TO: A. S. Williamson  
General Manager, Western Operations  
Nuclear Engineering Company, Inc.  
P.O. Box 186  
San Ramon, California 94583

You are hereby notified that license No. 04-3756-01, together with all amendments thereto, for the purpose of disposing of nuclear materials on the property of the State of Nevada, located in the County of Nye at the Beatty disposal site is hereby suspended effective immediately, and further receipt of any nuclear and radioactive materials is hereby prohibited pursuant to my order under the emergency power vested in me under the provisions of NRS 459.120 and the general authority conferred by Article 2.4.12.2 of the State Rules and Regulations for Radiation Control (adopted by State Board of Health March 2, 1974).

This suspension action is necessary for the purpose of:

- 1) investigating the extent of an emergency condition existing in the vicinity of the disposal site; and
- 2) taking immediate actions to abate any hazards to public health and safety.

The emergency consists of the following occurrences, which same constitute violations of law and breaches of the license:

- 1) Use of a cement mixer from the disposal site for three (3) concrete construction projects in the town of Beatty. The concrete mixer had previously been used at the disposal site to solidify liquid radioactive waste for burial, which had resulted in radioactive material being included in the off-site pours.
- 2) Reliable reports have been received that materials, such as plywood from radioactive material containers and electric motors, intended for burial at the site have been taken off-site for private use, which evidences lack of control and security at the disposal site.

ATTACHMENT A

POOR ORIGINAL

90003213

G. S. Williamson  
March 8, 1976  
Page 2

You are further hereby ordered to notify all suppliers to the County disposal site that said site shall henceforth be unavailable for the disposal of nuclear and radioactive materials until such time as this order is modified or revoked.

Compliance with this order shall take place immediately in accordance with NRS 489.120. Upon application to the State Board of Health, you shall be afforded a hearing in this matter, and this order shall remain in effect until modified or revoked after such hearing.

Dated March 8, 1976.

John A. Carr  
John A. Carr, M.D.  
State Health Officer

JHC/Ls

POOR ORIGINAL

90003214