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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of	)	
	)	
CAROLINA POWER & LIGHT COMPANY	)	
and NORTH CAROLINA EASTERN	)	Docket No. 50-400 OL
MUNICIPAL POWER AGENCY	)	
	)	
(Shearon Harris Nuclear Power	)	
Plant)	)	

APPLICANTS' TESTIMONY OF  
WILLIAM J. HINDMAN, JR., MICHAEL W. KING,  
D. GLENN JOYNER, MICHAEL L. PLUEDDEMANN  
AND PETER B. BENSINGER  
ON THE UNDERCOVER DRUG INVESTIGATION  
(CCNC CONTENTION WB-3)

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Q.1 Please state your names.

A.1 William J. Hindman, Jr., Michael W. King, D. Glenn Joyner, Michael L. Plueddemann and Peter B. Bensinger.

Q.2 Mr. Hindman, by whom are you employed, and what is your position?

A.2 (WJH): I am employed by Carolina Power & Light Company as Manager, Harris Project Administration, at the Shearon Harris Nuclear Power Plant.

Q.3 Please summarize your professional qualifications and describe your responsibilities which are relevant to this contention on drug abuse during construction.

A.3 (WJH): I received a Bachelor of Science degree in Civil Engineering from Clemson University. I began full-time employment at the Harris site on February 17, 1979, as a Senior Engineer in the Project Analysis element of the Harris site Management organization. Prior to that time I was on site part-time as Senior Engineer-Staff reporting to the Vice President for Power Plant Construction. I served as Director-Project Analysis beginning in May, 1980, and as Manager-Harris Project Administration beginning in December, 1983. A complete statement of my professional qualifications is appended as Attachment 1 to this testimony.

My responsibilities include service as the on site manager designated to interface with the CP&L construction security representatives who are responsible for construction security for the Harris Project. With respect to drug activity among employees at the Harris site, I have been designated by the

Vice President, Harris Nuclear Project Department, as the project level coordinator of information pertaining to illegal drug use on the Harris Project.

Q.4 Mr. King, by whom are you employed, and what is your position?

A.4 (MWK): I am employed by Carolina Power & Light Company as Senior Commissioned Construction Security Agent, in the Support Services Section of the Nuclear Plant Construction Department. As my job classification implies, I am a commissioned law enforcement officer. Functionally, I am Supervisor of the Construction Security Unit.

Q.5 Please summarize your professional qualifications and describe your responsibilities which are relevant to the contention.

A.5 (MWK): I have been employed by CP&L in various security positions since February, 1978. Previously, I spent over seven years on the Raleigh Police Department, where my assignments included narcotics investigations. My experience as a narcotics investigator has included work as an undercover officer while on active duty with the military, and undercover operations while in civilian law enforcement. The last undercover operation that I participated in as an undercover officer lasted for seven months. This operation resulted in the arrest of more than 100 suspects on over 300 felony indictments. In addition, I have received classroom training in college and law enforcement schools on Narcotics and Drug Abuse, Drug

Identification, Drug Analysis, and all applicable laws of arrest, search and seizure. I have been a member of the armed services of the United States since February, 1967. My most recent tour has been with the United States Army Reserves, serving in law enforcement positions and as a Military Police instructor among other duties. I have completed Military Police Officers' Basic and Advance Courses, and I earned a B.S. degree in Police Science in 1976 from North Carolina Wesleyan College. I am a member of the North Carolina Law Enforcement Officers Association, and have been awarded an Advanced Law Enforcement Certificate from the North Carolina Criminal Justice Training and Standards Commission. A complete statement of my education, training and experience is appended as Attachment 2 to this testimony.

My responsibilities as Supervisor of the Construction Security Unit currently include review of construction activities and formulation of recommendations to management on security plans and procedures designed to protect Company facilities, material, equipment and personnel; supervision of contractor security organizations' performance; conduct of periodic project security reviews; conduct of confidential security investigations; and coordination with and assistance to all levels of law enforcement in matters concerning Company-owned materials and equipment or Company personnel. Since construction of the Shearon Harris Nuclear Power Plant has been by far the most significant construction activity within CP&L for the past



seven years, security at that site has dominated my responsibilities. With respect to the identification and control of drug use and activity within the work force at the Shearon Harris construction site, I have been responsible for and personally involved in the following: preparation and implementation of the Site Security Plan and Procedure; from February, 1978, to September, 1979, onsite supervision of the security program a minimum of three days per week; since September, 1979, supervision of a CP&L on-site Construction Security Agent (Mr. Joyner) who reports to me; the conduct and supervision of two undercover operations and one investigation with members of the Wake County Sheriff's Department (WCSD) and the State Bureau of Investigation (SBI); primary interface between the site and all law enforcement agencies; and review of all security incident and investigative reports.

Q.6 Mr. Joyner, by whom are you employed, and what is your position?

A.6 (DGJ): I am employed by Carolina Power & Light Company as Commissioned Construction Security Agent at the Shearon Harris Nuclear Power Plant. I report to Mr. King, and I am also a commissioned law enforcement officer.

Q.7 Please summarize your professional qualifications and describe your responsibilities which are relevant to this contention.

A.7 (DGJ): I have been employed by CP&L in security positions at the Harris site since September, 1979. Previously, I

spent over nine years as an Investigator with the Raleigh Police Department. In addition to my other training as an investigator, I received narcotics investigation training with the Raleigh Police Academy and refresher training for my position with CP&L. I earned a B.S. degree in Police Science in 1977 from North Carolina Wesleyan College. My studies there included Narcotics and Dangerous Drugs. A complete statement of my professional qualifications is appended as Attachment 3 to this testimony.

My responsibilities at the Harris site include review of Harris construction activities and formulation of recommendations to Harris management on security plans and procedures designed to protect Company facilities, material, equipment and personnel; supervision of Harris contractor security organization's performance; conduct of periodic Harris Project security reviews; conduct of confidential security investigations at Harris; and coordination with and assistance to law enforcement agencies on Harris matters.

Q.8 Mr. Plueddemann, by whom are you employed, and what is your position?

A.8 (MLP): I am employed by Daniel Construction Company as Senior Industrial Relations Representative at the Shearon Harris Nuclear Power Plant.

Q.9 Please summarize your professional qualifications and describe your responsibilities which are relevant to this contention.

A.9 (MLP): I have been employed at the Harris site since 1978. Among my responsibilities are the administration of Daniel drug policies and search/seizure procedures, and the investigation of alleged narcotic violations by Daniel employees. I have a bachelor's degree from East Carolina University. A complete statement of my professional qualifications is appended as Attachment 4 to this testimony.

Q.10 Mr. Bensinger, by whom are you employed, and what is your position?

A.10 (PBB): I am President of Bensinger, Dupont and Associates, Inc., a professional consulting firm providing services to private industry, national and community organizations and government, on the problems of drug and alcohol abuse, including its impact on the work place. I have described my training, experience and qualifications in my previous testimony on the drug abuse control policies and training at the Shearon Harris Nuclear Power Plant.

Q.11 What is the purpose of this testimony?

A.11 (WJH): The purpose of this testimony is to respond in part to the allegations in CCNC Contention WB-3 that "drug use at the Harris Plant is widespread" and that "Applicants' management has failed to control drug use during the construction." In particular, this testimony provides information on the undercover drug investigation conducted at the Harris site last year, and responds to the Affidavit of S. L. Burch, dated July 31, 1985, on the same subject. Our testimony demonstrates

that CP&L was fully supportive of and cooperative with the investigation, that CP&L took no actions which endangered the lives of the undercover operatives, and that CP&L did not thwart the investigation or purposely impede its operation.

Q.12 How is your testimony organized?

A.12 (WJH): We will first describe the facts surrounding the proposed initiation of the undercover operation and CP&L's motivation for undertaking it. Second, we will describe the basic mode of operation established at the outset of the investigation, and CP&L's role in supporting it. Third, we will respond to the assertions in the Burch Affidavit that particular actions taken by CP&L endangered the safety of the undercover operatives and hampered their effectiveness. Fourth, we will describe the circumstances surrounding the decision to terminate the investigation. Finally, we assess what the undercover operation reveals about the extent of drug activity among Harris site employees.

Q.13 Have each of you read the July 31, 1985 Affidavit of S. L. Burch filed with the Response by the Attorney General of North Carolina to Applicants' Motion for Summary Disposition of CCNC Contention WB-3 (Drug Abuse During Construction)?

A.13 (WJH, MWK, DGJ, MLP, PBB): Yes.

Q.14 Before we begin discussing the undercover investigation in some detail, would each of you please describe your personal role in that operation and in the recent inquiry into the Burch Affidavit?

A.14 (WJH): I was involved in the decision to initiate the investigation and essentially represented Harris Project management in the initial planning for the undercover investigation. CP&L Security (Mr. Joyner or Mr. King) kept me informed of the progress of the investigation while it was being conducted. The investigation involved two undercover operatives -- Deputy Hensley of the WCSD and Agent Williams of the SBI -- as well as an inside informant. I assisted CP&L Security in making necessary arrangements for the officers and the informant to work on site, and I personally met with the two operatives to invite them to contact me in the event they needed any assistance.

On July 18, 1985, I attended a meeting with Wake County Sheriff Baker, Major Lanier and counsel to review our summary disposition motion which had just been filed. After the Burch Affidavit was filed, I attended another meeting with WCSD personnel (including Sheriff Baker, Major Lanier, Lt. Self and Deputy Hensley) on August 12, 1985, at which we discussed the assertions made by Ms. Burch and the reply CP&L was preparing to file with the NRC.

(MWK): I was involved in the decision to initiate the investigation and attended the planning meeting with the law enforcement agencies prior to initiation of the investigation, and the meeting at which the decision was reached to terminate the operation. During the operation, I was in routine contact with Mr. Joyner, my on-site agent, on the daily progress of the

investigation. On the few occasions when Mr. Joyner was away, I was on site to coordinate with the officers. I also attended the August 12, 1985 meeting with the WCSD which Mr. Hindman just described.

(DGJ): I was involved in the decisions to initiate the undercover investigation, the planning of the operation, CP&L support for the operation, and the regular contact and coordination with the undercover agents. I provided the agents with the intelligence on drug activity available to CP&L Security, advised the agents on the evaluation and pursuit of information being obtained, and generally assisted them in any way I could. I attended the August 12, 1985 meeting with WCSD personnel, along with Mr. King and Mr. Hindman. In addition, I attended a meeting with former SBI Agent Williams and counsel on September 11, 1985, to discuss the contents of the Burch Affidavit.

(MLP): During the undercover investigation I acted as an on-site contact with the two law enforcement undercover operatives. I met with both operatives on a regular basis during the operation -- almost every day that they were on the site. I also attended the September 11, 1985 meeting with former SBI Agent Williams, which Mr. Joyner just described.

(PBB): I was not involved in the undercover investigation. I have reviewed the Burch Affidavit and the reply affidavits filed by Applicants, however, and I have discussed the investigation with CP&L Security personnel sufficiently to

understand what occurred. My purpose here is to assess the propriety of several actions taken by CP&L, from the standpoint of my role as a Company advisor on the control of drug activity in the work place. Based upon my law enforcement experience with narcotics investigations, I will also evaluate the conduct of this operation and what legitimately can be concluded from its results.

Q.15 Mr. King, Ms. Burch states in paragraph 4 of her affidavit, that in a planning meeting of October 17, 1984, which you and Mr. Joyner attended, you advised that the NRC was putting pressure on CP&L to look into the drug problem at the Harris site. Did you make such a statement?

A.15 (MWK): I did not state that the NRC or anyone else was putting pressure on CP&L to conduct an undercover operation at the Harris site. In fact, the CP&L proposal to conduct the operation arose from our own desire to curb drug activity at the project.

Q.16 Mr. Joyner, you also attended the meeting. Did Mr. King make the statement attributed to him by Ms. Burch?

A.16 (DGJ): I do not recall any statement made by Mr. King indicating that pressure from any source was our motivation for requesting the drug operation. In fact, the operation came about because of a weekly report I wrote on August 16, 1984, which advised of drug information we were receiving about employees at the site. Mr. M. A. McDuffie, CP&L Senior Vice President, Nuclear Generation Group, read the



report and telephoned me to discuss it. I suggested to Mr. McDuffie that we should proceed with an undercover operation utilizing members of the law enforcement community as operatives. He then contacted Mr. Watson, Vice-President, Harris Nuclear Project Department, and, after further discussion, a letter was sent on August 30, 1984 from Mr. Watson to the WCSD requesting a meeting to discuss the drug activity. I am not aware of any external pressure by anyone on anyone to conduct the undercover operation.

Q.17 Does the Burch Affidavit, then, unfairly import to CP&L a reluctance to initiate this investigation?

A.17 (WJH): In my opinion, yes. By implying that CP&L did not really want to undertake this investigation but was forced to do so, Ms. Burch attempts to apply to later CP&L actions a motive of intent to thwart the investigation. In contrast, CP&L proposed the investigation on its own and wanted it to be effective. The many steps CP&L took in support of the operation, which we will describe, demonstrate that commitment. At the July 16, 1985 meeting I mentioned earlier, Sheriff Baker observed that CP&L deserved great credit for taking the initiative to propose this investigation at the Harris Plant.

(PBB): I would like to add my concurrence to Sheriff Baker's reported observation. Cooperation with law enforcement agencies in undercover investigations is a very positive element of a corporation's arsenal of tools to combat drugs in the workplace. Such operations not only serve to identify

violators of the company's drug abuse policies, but also to deter future drug activity among the employee population contemplating the use of drugs on the job. However, as I discuss later, the cooperation must come from the law enforcement side as well, and overriding corporate responsibilities cannot be ignored or suspended indefinitely in the interest of pursuing criminal prosecutions.

Q.18 In paragraph 4 of her affidavit, Ms. Burch states that at the October 17, 1984 planning meeting, Sheriff Baker indicated he was limited in experienced manpower, but that he would assign an individual to act as an undercover operative. Is this true?

A.18 (DGJ): Yes. To my knowledge, Lt. Self at that time was the only member of the WCSD drug unit. Lt. Self was placed in overall charge of the investigation. Deputy K. G. Hensley, who was assigned to be the WCSD undercover operative, did not have previous narcotics investigation experience, and had been working with and teaching computer systems for the WCSD.

Q.19 Ms. Burch continues that at the same meeting Sheriff Baker requested that the SBI furnish an experienced undercover operative to work with the WCSD, and that the SBI assured Sheriff Baker it would assist in whatever way possible. Is this also true?

A.15 (DGJ): Yes. The SBI assigned an experienced undercover operative, Special Agent Williams, who is now employed by the U.S. Drug Enforcement Administration in Pittsburgh. During

our meeting of September 11, 1985, Mr. Williams indicated that he left the employ of the SBI on February 22, 1985, and that he learned of his acceptance by DEA in December, 1984, during the undercover operation.

Q.20 What did CP&L do in support of the investigation?

A.20 (DGJ): An important initial contribution was to respond to the request for a confidential informant. During the planning stage for the operation, Lt. Self of the WCSD stated that in order to help the undercover operatives gain access to the drug dealers, he wanted the assistance, as an informant, of a particular employee who had been terminated and turned over to the WCSD for possession of cocaine. The individual agreed to perform this role in exchange for the anticipated dropping of criminal charges against him after successful completion of the operation, and with the understanding that he would not testify in any subsequent criminal proceedings. Consequently, only purchases by the law enforcement officers could be the basis for arrests. The informant had been an employee of Davis Electric Company, a sub-contractor of Daniel Construction Company. Because this individual had been terminated for violating site drug abuse policies, Davis personnel (unaware of the investigation) could not be persuaded to re-hire him. We then arranged to have the former employee hired through a temporary agency with his salary paid by CP&L, and gave him total access to the site. It was understood by the WCSD and others involved in the investigation that co-workers of this former

employee knew he had been fired and knew the reasons for his termination. I personally cautioned against the selection of this informant because his co-workers would be suspicious about his re-employment. Nevertheless, the WCSD proceeded with this informant and a cover story was developed to the effect that the charges could not be proven against him.

I gave badges to both operatives (Hensley and Williams) under a fictitious company (Management Consultants). In the case of Deputy Hensley, his assigned consultant work involved terminals for computer systems -- a role which utilized his expertise at the WCSD. Agent Williams posed as a management analyst. The agents were both told that they had access to the plant site on any shift and at any time they needed it, and were provided with security passes so they could enter and depart the site at their own discretion at any time and without escort. Given the nature of their consultant roles, the operatives were not tied to a single shift or work area. In other words, other employees would not necessarily expect their work to require strict adherence to a given shift schedule. The operatives were provided with private office space in the main construction building, a telephone and a sign on the door identifying their fictitious company. I took hard hats home and painted them for the operatives' use, adding their names and company. I also provided Agent Williams with a pair of boots for use on the site.

Mr. Plueddemann and I were available to the operatives on a daily basis, and did all follow-up work to make positive identification of each person reported to have used, possessed or sold drugs. In addition to the assistance provided by the confidential informant, we provided the agents, at the outset of the operation, with a list of employees we suspected of drug activity, and shared intelligence on likely locations of drug activity.

(WJH): In my opinion, CP&L cooperated fully with the law enforcement officers during the investigation. I would like to echo Mr. Joyner's statement and emphasize that we went to considerable effort to accommodate the Sheriff's Department request for this particular confidential informant. In addition, I personally told the operatives that they should contact me if I could be of any assistance during the operation or if problems arose. On only one occasion did I receive a request for assistance. Deputy Hensley requested my assistance in finding a legitimate reason to allow him to get into a particular work area. I gave him a letter of authorization that he could carry which provided him with a reason to be in that area. Neither the undercover operatives nor any of their supervisors in the Wake County Sheriff's Department or SBI ever came to me or called me to indicate that they had concerns about CP&L's cooperation during the investigation or concern that CP&L's actions were endangering the operatives.

(DGJ): During the undercover operation, Deputy Hensley and I worked well together and developed a relationship of mutual trust. It was my impression that Deputy Hensley was satisfied with and appreciative of the assistance I provided.

(WJH, MWK, DGJ): During our meeting of August 12, 1985, Deputy Hensley stated that we were totally supportive of his efforts on site, and cooperated with him in every way that we could.

(DGJ, MLP): During our meeting of September 11, 1985, Mr. Williams stated that he received cooperation and everything that he needed from CP&L during the undercover operation. He also stated that he never felt that we or others involved in the operation did not want it to succeed.

Q.21 Let us turn next to the specific assertions by Ms. Burch about CP&L's conduct during the investigation. In paragraph 6 of her affidavit, Ms. Burch states that the initiation two to three weeks into the operation of a gate search using metal detectors slowed the progress of the undercover operation, and implies that it caused employees to suspect the presence of a "snitch" on site. Please respond to this assertion.

A.21 (DGJ): CP&L did initiate a gate exit search with hand-held metal detectors on November 12, 1984, on a random selection of employees. If the undercover operation began on November 6, 1984 (the date of the first buy), then the metal detector search was not initiated two to three weeks into the operation as Ms. Burch states, and could not have slowed its

"progress," since it had barely begun. All of the remaining drug purchases were made after initiation of the metal detector searches. The purpose of this search was to curb tool theft at the site, and not to detect drugs. The metal detectors would only detect metal -- not drugs. They had been requested by the new construction manager well before the undercover operation had been conceived. Deputy Hensley did express concern about those searches, in that he felt the availability of drugs might be affected. I advised him that the detectors had been used for one week, and that to stop their use abruptly would arouse suspicion as well as require additional personnel to be informed of the undercover operation. The agents expressed no concern as to their safety. Further, there was no perceived retrenchment in drug activity in the circle of employees with which the operatives were involved.

(MWK): The use of metal detectors has little impact on the possession of drugs when used in the manner employed at the Harris site. The searches are performed at the end of the shift, not at the beginning, on a random basis to supplement the visual inspection of containers. The detectors will only identify metal objects concealed on a person. The individual is allowed to empty his or her pockets before the search, and is not subject to further searches unless the unit alarms. The metal detectors are used to detect tool and material thefts. Their use was requested prior to the undercover operation by Daniel management personnel who were not aware of the



investigation. While CP&L could have stopped this search procedure, such action would have caused suspicion and would have required informing more personnel about the investigation.

(WJH): I would like to confirm that the metal detectors were requested well before the beginning of the undercover operation by the new Daniel construction manager. There was never any consideration that the metal detectors might affect the operation. Initiating use of the metal detectors was not considered an unusual or even a particularly significant event. A construction project is not like a manufacturing operation where routine procedures remain in effect for extended periods, and where even minor changes may attract attention. In a large construction project like Harris, workers expect procedures to be changed and new procedures to be initiated regularly. That is just part of the work environment at a construction site. The use of metal detectors is common in the nuclear construction industry; workers with experience on other sites would probably already have been familiar with their use. I do not believe the use of the metal detectors would have generated concern among drug users about a "snitch" on site.

(PBB): I have several comments about the metal detector issue. First, I confirm Mr. Hindman's testimony that use of such metal detectors is common in the nuclear construction industry, and should not have aroused the suspicion of those involved in drugs or disrupted the investigation. Second, an experienced undercover agent could have used this development to

bind his contacts with suspects by sharing intelligence about the use of the detectors and discussing, from a confident position of superior knowledge, that the suspects should not have any problems with them.

Q.22 Have you recently discussed this aspect of the Burch Affidavit with the agents actually involved?

A.22 (WJH, MWK, DGJ): Yes. During our meeting with the WCSD on August 12, Lt. Self and Deputy Hensley stated that their concern with initiation of the metal detector searches was simply that any changes at the site were detrimental since they might arouse the paranoid suspicions of those involved in drug activity. They agreed, however, that there was no apparent diminishment in drug activity by those under investigation.

(DGJ, MLP): During our meeting with Agent Williams on September 11, 1985, he also stated that he did not like any changes at the site to be made during the investigation, but that he had no particular problem with the metal detectors and did not even raise a concern at the time with CP&L.

(WJH): I can understand why changes in site procedures made agents unfamiliar with power plant construction to be uncomfortable, but as I indicated earlier, it is unrealistic to expect to freeze activities in a huge and evolving construction project. In order to preserve the secrecy of the operation, as well as to proceed to build the plant, CP&L could not back-pedal on safety and security for possible perceptual problems involving the investigation.

Q.23 Ms. Burch states, in paragraph 7 of her affidavit, that Lt. Self of the WCSD reported that he was advised by the informant that Mr. King and Mr. Joyner were searching stash areas on site after they were informed of the stash areas by Deputy Hensley, and that Lt. Self instructed Hensley to cease reporting stash area locations to CP&L Security in order to insure Deputy Hensley's safety. Mr. King and Mr. Joyner, did you search stash areas during the investigation?

A.23 (MWK): I am not assigned to the Harris site full time, and I did not conduct any search of stash areas (locations to store drugs) based on information provided by Deputy Hensley. During the course of the undercover operation, only two drug investigations were conducted by CP&L Security personnel. The first involved a plastic bag of marijuana found on the ground. The second involved a second-shift employee who was reported by industrial safety personnel as being in possession of marijuana. All other drug-related information received was given to Deputy Hensley for use in his investigation.

(DGJ): No, we did not search stash areas. In fact, we were not informed of any stash area locations by Deputy Hensley or Agent Williams.

(MWK, DGJ): During our meeting of August 12, 1985, Deputy Hensley confirmed that he did not advise us of any stash area locations -- which he also stated were constantly changing.

Q.24 Ms. Burch states, in paragraph 7 of her affidavit, that on one occasion Deputy Hensley received information that

two employees were to bring a large amount of marijuana inside the plant, and that Deputy Hensley asked CP&L Security to allow the two individuals to pass through the gate. Instead, according to Ms. Burch, CP&L personnel stopped the employees at the gate, searched them and confiscated the marijuana, causing further talk to a "snitch" operating inside the plant. Is this correct?

A.24 (DGJ, MLP): No. It should also be noted that the SBI was not involved in these events.

(DGJ): I was present on December 20, 1984, when the informant told Deputy Hensley about the two employees who were to bring a large quantity of marijuana on site the next morning. Mr. Plueddemann then joined the discussion.

(DGJ, MLP): Deputy Hensley had tried on numerous occasions to purchase drugs from these two suspected employees. Deputy Hensley and the informant told us that these employees would sell to the informant, but not to Deputy Hensley, who advised that he would not be able to make a case against these employees. There was never a request to let these individuals pass through the gate. To the contrary, it was discussed and agreed that we should proceed to search these employees since they would not sell to Deputy Hensley and because they could be bringing a large amount of marijuana on site for distribution to other employees. The plan was to have a sheriff's deputy with a search warrant at the site the following morning to search the two individuals as they attempted to enter. Deputy

Hensley agreed with the plan, and everyone agreed that it would not compromise the cover of either Deputy Hensley or the informant. Deputy Hensley telephoned Lt. Self, in our presence, to explain the plan.

(DGJ): During the same call, I discussed the plan with Lt. Self. I later telephoned Lt. Self in the evening to go over the plan and his suggestion of getting a search warrant. I arrived on site on the morning of December 21, 1984, expecting to meet Lt. Self or someone else from the WCSD.

(MLP): On the morning of December 21, 1984, I arrived at the plant site at approximately 6:00 a.m. and met Mr. Joyner in his office. He told me that he talked to Lt. Self again at home the previous night and discussed the plan to stop these two individuals. Mr. Joyner stated that Lt. Self had agreed with the plan and would have a deputy with a search warrant to support us.

(DGJ, MLP): When no officers arrived, we decided that we had no choice but to proceed to search these two employees, rather than knowingly to allow a potentially large quantity of drugs to be brought on site. The two suspects were found to have drugs. One had two packages of marijuana in his pants; the other had a package of marijuana in his pants and a small amount of cocaine in a pocket. The marijuana was packaged in individual glassine bags and clearly was for distribution to other persons. While a search by CP&L Security had not previously been discussed (in view of the plan to arrest the

employees), we felt we had WCSD agreement that the employees should be stopped and searched. We reported the results of the search to Deputy Hensley later that morning. He seemed quite pleased and reiterated that this was the only way to have handled these two suspects since they would not sell to the agents.

Q.25 Have you discussed your recollection of these events with Lt. Self and Deputy Hensley?

A.25 (DGJ): Yes, at the meeting of August 12, 1985. Deputy Hensley agreed that he did not request that CP&L Security allow the two individuals to pass through the gate. Rather, he was interested principally in arresting the two employees in some manner. Deputy Hensley also recalls hearing me discuss with Lt. Self the possibility of getting a search warrant. When the arrangements for conducting a WCSD search with a warrant prior to entry on site did not work out, Deputy Hensley agreed in retrospect that CP&L Security took an understandable and appropriate action in preventing the drugs from coming on site. Lt. Self could not recall precisely why the WCSD did not appear to arrest the workers, but expressed the belief that they were distracted by a priority drug investigation.

Q.26 Did this discussion change your recall about what occurred?

A.26 (DGJ, MLP): No. We are convinced that our recollection of the events is correct. It simply is not true that we went against WCSD instructions or requests when we stopped these two employees.

Q.27 Mr. Bensinger, in your view did Mr. Joyner and Mr. Plueddemann do the right thing or the wrong thing?

A.27 (PBB): Unquestionably they did the right thing. CP&L has a drug abuse policy which is founded on its obligations to its customers, employees, and regulatory authorities. Exceptions to the implementation of this policy must be based on very good reasons. In my view, it would have been irresponsible to allow anyone to bring quantities of drugs onto the site. The law enforcement agent had no reasonable prospect of building a case against them and indicated that they should be stopped. It is unreasonable to expect to stretch a company's cooperation with an undercover operation to the point where drug activity is being facilitated rather than eliminated, and where the company's commitment to safety and security is knowingly compromised.

Q.28 In paragraph 9 of her affidavit, Ms. Burch states that employees dealing in drugs included a QA person whose duties included inspecting electrical pulls. It is also stated that he was dismissed after Deputy Hensley identified him to CP&L Security. At least a possible inference from these statements is that the dismissal somehow was adverse to the investigation. Is that correct?

A.28 (DGJ): No. In fact, this employee worked in Construction Inspection (CI), and was the subject of a search warrant served on him on January 10, 1985, with negative results. The employee was terminated that day after the search on the



basis of previously acquired information. In our meeting Deputy Hensley agreed that this in no way interfered with the investigation.

Q.29 Ms. Burch continues that employees dealing in drugs included "safety personnel." Do you know what she means by safety personnel?

A.29 (DGJ): I believe this refers to a single clerical employee working in industrial safety. In our meeting Deputy Hensley confirmed that he did not distinguish between personnel doing nuclear safety-related work and personnel engaged in non-nuclear safety work (for example, construction personnel safety).

Q.30 The Burch Affidavit has several references to rumors of a "snitch" or a possible leak regarding the presence of undercover agents on site. Again, Ms. Burch does not openly attribute these developments to CP&L, but the implication is there. What is your response?

A.30 (WJH): In planning and executing the operation, all those directly involved were very much concerned about the possibility of a leak. We took extraordinary precautions to prevent any leak. The number of persons who were made aware of the operation was kept to an absolute minimum, and those persons took precautions to make sure that their communications were not overheard. Neither Agent Williams nor any other person provided me with information during the operation that a leak had in fact occurred.

(MWK, DGJ): As experienced law enforcement officers, we were conscientiously concerned with the safety of the agents and the secrecy of the operation. It was for this reason that we could not afford to create a major fuss in order to have Davis re-hire the informant. Our concern for secrecy also prevented us from altering routine site operations and procedures, or planned changes to those operations and procedures, in a way which would attract attention or suspicion. In our view, any rumors of a "snitch" were more likely caused by the participation of the WCSD selected informant, who had been previously fired for drug use. For example, during our August 12 meeting, Deputy Hensley cited an incident in which an unidentified female employee approached the informant and accused him of working with law enforcement.

(DGJ, MLP): During our meeting with Agent Williams on September 11, he cited this same encounter between a female and the informant as the basis for the assertion, in paragraph 13 of the Burch Affidavit, about a possible leak.

(PBB): I should add that rumors of a snitch are common to circles of people involved in drug activity, and therefore are not unexpected during an undercover narcotics investigation.

Q.31 Perhaps the most serious charge in the Burch Affidavit is the statement in paragraph 13 that "actions by CP&L endangered the lives of the undercover officers." Is this true?

A.31 (WJH, MWK, DGJ): No. Neither Deputy Hensley nor Agent Williams ever expressed concern about their personal

safety during the operation. At the August 12, 1985 meeting, Deputy Hensley stated that he did not think anything done by CP&L during the operation endangered his life. WCSD personnel did confirm, however, that they terminated the operation because of their concern that narcotic detection dogs would be used on site immediately, and that such searches would endanger the officers. While we discuss this concern in more detail below, it is undisputed that the dog searches started some six weeks after the investigation was over.

(DGJ, MLP): At our meeting with Agent Williams on September 11, 1985, he stated that he never had the feeling that his life was endangered during the investigation. Mr. Williams also stated that in his view CP&L did not attempt to inhibit the effectiveness of the operation.

Q.32 Were there problems with the conduct of the operation that are not discussed in the Burch Affidavit?

A.32 (DGJ, MLP): Yes. While Sheriff Baker expressed prior to the investigation the need for an experienced SBI agent to support the operation, SBI Agent Williams came to the site only irregularly during the eight-week investigation. While we did not keep a log or record of his activities, we estimate that Mr. Williams appeared for work at the Harris site on only 10 to 15 occasions, and frequently for only 3 to 5 hours at a time. To our knowledge, Agent Williams made only one drug purchase.

(WJH, MWK, DGJ): During our August 12, 1985 meeting, Deputy Hensley of the WCSD confirmed this description of Agent Williams' attendance and of the results he achieved.

(DGJ, MLP): During our September 11, 1985 meeting with Agent Williams, he indicated that our estimate of his attendance was "in the right neighborhood."

(DGJ): During the investigation, I telephoned Ms. Burch to seek her assistance in locating Agent Williams. Ms. Burch explained that she would have to contact his SBI supervisor in Greensboro to inquire about Agent Williams' whereabouts and irregular attendance at the job site. At the September 11, 1985 meeting with Agent Williams, he stated, in contrast, that he had been directed to report to Ms. Burch during the operation.

Q.33 In paragraph 8 of her affidavit, Ms. Burch states that Lt. Self stated that Deputy Hensley was obtaining information that a supervisor with either Daniel or CP&L was allegedly making trips to Florida and picking up pound quantities of pure cocaine which was being distributed by an identified suspect. She further states that attempts to make a cocaine purchase from the identified suspect were made, but that the termination of the undercover operation precluded any possible results. Are any of you familiar with this situation?

A.33 (MLP): Yes. I have direct knowledge of the facts concerning this allegation. Several weeks before the end of the undercover operation, Deputy Hensley told me about some information that the informant assisting in the operation had

told him. Hensley told me there was allegedly an electrical supervisor who was making trips to Florida and picking up large quantities of drugs. Hensley stated that the supervisor was supposedly working somewhere "on the hill", a reference to the main construction building at the Harris Plant. Hensley did not have a name or other identifying information about this person. Deputy Hensley asked me if I could trace the person down if he gave me the dates when the individual was making his trips. Using information provided by Deputy Hensley on the dates that this person was allegedly making his trips, I researched time cards for Daniel and Davis Electric Company personnel to try to determine whether anyone had been absent from work during those time periods. Given the small amount of information available and the large number of time records, this was a time-consuming process. After completing my research, I reported back to Deputy Hensley and told him I was not able to identify anyone who was not working during the combination of times he furnished me. I told Hensley if he could provide me a name (either a first name, last name or nickname), I could probably trace the individual down for him. Hensley told me that he would work on obtaining more information, but I never heard back from him about this individual. After talking to Deputy Hensley, I went back and double-checked our records in case I had overlooked anyone. This second check confirmed the results of my initial research. In none of my conversations with Hensley did he state that an identified suspect distributing the cocaine existed.

(WJH, MWK, DGJ): At our August 12 meeting, Deputy Hensley reported that he still does not know who the alleged distributor was. Rather, Deputy Hensley stated that he was still exploring, when the investigation ended, two possible suspects -- neither of whom had yet been willing to make a sale to the Deputy. Information on these two employees, however, had been provided to CP&L by the WCSD, and they are no longer employed at Harris. Deputy Hensley also rejected any implication that the undercover operation was terminated because of his pursuit of this information.

Q.34 In paragraphs 5 and 9 of her affidavit, Ms. Burch reports that Deputy Hensley made his first buy after being on site for only one and one-half hours. One inference from this might be that drugs were so plentiful any newcomer could readily obtain them in short order. What are the facts?

A.34 (DGJ, MLP): The statement is not correct. During the first day Deputy Hensley was on the site, he and the informant told us about a drug buy made shortly after the officer arrived. They both reported, however, that the informant, not Hensley, made the purchase. The informant, of course, had worked on site, been terminated for drug activity, and was familiar with sources from whom to buy drugs. In short, this purchase was not significant or surprising. It could not be used, however, to draw warrants since the officer did not make a hand-to-hand purchase.

(WJH, MWK, DGJ): During our meeting of August 12, 1985, Deputy Hensley confirmed that the informant made this first buy.

(DGJ, MLP): During our meeting of September 11, 1985, Agent Williams also confirmed that the informant, and not Deputy Hensley, made this first buy.

Q.35 In paragraph 8 of her affidavit, Ms. Burch states that Lt. Self advised her that Deputy Hensley began to develop intelligence indicating that there were several cliques dealing drugs at the Harris Plant, and that the dealings were taking place for the most part inside the plant, outside in the parking lots and in a nearby grocery store. Is this significant?

A.35 (DGJ): Only if the "intelligence" consisted of new information. We advised the agents, before the operation began, about suspected drug activity in the parking lots and at the grocery store. At our meeting, Deputy Hensley confirmed that he was so advised. Yet, the agents made no purchases in the parking lots.

Q.36 What did the investigation ultimately produce?

A.36 (MWK): As reported by Ms. Burch in paragraph 12 of her affidavit, the operation resulted in charging eight individuals, on January 10, 1985, who made sales of drugs to the officers. Attachment 5 to this testimony is a table reflecting information, provided to me by Deputy Hensley, which lists for seven of the employees arrested and who sold drugs, the date of each purchase, the drug involved and the dollar amount of the



purchase. While there are eight employee entries on the table, one (G) represents a sale to the informant, and not to Deputy Hensley. In addition, the investigation provided us with valuable intelligence on other suspected employees, which enabled us to implement site drug abuse policies with respect to them.

Q.37 I am going to turn now to the circumstances surrounding the termination of the investigation. Did you have an understanding prior to the beginning of the operation as to how long it would last?

A.37 (WJH): It was my understanding from the outset of the undercover operation that it was expected to last about eight weeks. I received this information from Mr. Joyner who had talked with Lt. Self of the Sheriff's Department about the expected duration of the operation. The suggestion from law enforcement agencies that the operation be extended beyond that time frame did not occur until mid-December, 1984.

(DGJ): Lt. Self of the WCSO stated to me before the operation began that January 2, 1985 would be the termination date for the investigation. In our meeting of August 12, Lt. Self agreed that he made this statement, but added that he intended the operation would also be reviewed and its status re-assessed at that time. That qualification was not communicated at the time.

(MWK, DGJ): In addition, we viewed eight weeks to be a sufficient period of time for this operation, given the assistance of the informant and the leads we provided, and the geographically concentrated area to be investigated.

(PBB): I agree that in the circumstances of this case where an insider was available to help and the officers had valuable intelligence at the outset, and in a construction project where new faces are common, eight weeks was an adequate period for the operation.

Q.38 In paragraphs 10 and 11 of her affidavit, Ms. Burch states that in mid-December, 1984, a plan was formulated, apparently by the SBI and WCSD, to replace SBI Special Agent Williams with another SBI agent, and to move the operation to the second shift. She indicates that this proposal was discussed between Lt. Self and Mr. King, and in a subsequent meeting called by Sheriff Baker. Is this correct?

A.38 (MWK): Yes, except for any implication that the investigation had been limited to the first shift. The agents were always free to investigate on the second or any shift. They only had worked the first shift, I believe, because the informant had not worked the second shift and did not have contacts among those employees.

In addition, Ms. Burch does not make clear that the proposed extended operation would not have included the services of the informant, and that neither the SBI nor the WCSD had undertaken to develop a new informant. So the proposed investigative team would have consisted of Deputy Hensley and a new SBI agent -- essentially starting over with a different group of employees (on the second shift), but without the use of an informant to introduce them or to lead them to sources, and to assist in making purchases.

Q.39 Mr. Hindman, did Mr. King discuss this proposal with you?

A.39 (WJH): Yes, he did. I was not involved in the discussions with the law enforcement agencies on the proposal, however.

Q.40 What was your reaction?

A.40 (WJH): I did not support extending the operation for several reasons. First, the confidential informant who was being used during the operation had been expressing concern about his personal safety. The informant felt that he had participated long enough to work off his charges and that he was ready to move on. I also viewed the activities of both undercover officers as trending downward during the month of December. This view was based on several factors, including my knowledge that SBI Agent Williams was not appearing at the site on a regular basis and the lack of new information to be pursued about drug activities on site. I also believed that there would be reductions in the work force shortly after the beginning of 1985 and that some of these reductions would involve persons who had already been identified as drug users or sellers. I felt that we would have difficulty in managing the reductions in force if we had to keep all these identified persons in place for a longer period of time and that releasing them would make their arrest more difficult. From CP&L's perspective, keeping known drug users and sellers on the site for an extended period of time was a matter of concern. Since the

continuation of the operation temporarily inhibited our taking vigorous action to execute some elements of our drug control program, I was concerned that a misperception might be created among employees that we were not doing enough. With the expectation that the undercover operation would be over by January, we had also made arrangements to begin using a drug detection dog onsite in February. It was my understanding from talking to our security personnel that it would be better to wrap up the undercover operation before bringing the dog onsite not because use of the dog would endanger the undercover operatives, but because use of the dog would discourage persons from bringing drugs onto the site. Finally, I wish to point out that I did not view the close-out of this particular undercover operation as a termination of the joint efforts among CP&L, the Wake County Sheriff's Department and the SBI to control drugs at the Harris Project. I felt that after an assessment of what had been accomplished during this particular operation, there would be the potential for future cooperation with the law enforcement agencies.

Q.41 Mr. Joyner, you worked with the informant regularly. Is Mr. Hindman correct that the informant was ready to leave?

A.41 (DGJ): Yes. Near the end of the operation the informant was concerned with his personal safety because of the suspicious situation, where for eight weeks he was constantly talking about drugs and trying to arrange purchases for these two consultants (the undercover agents). I should also

emphasize that in our September 11, 1985 meeting, former SBI Agent Williams expressed the view that the informant's contacts and usefulness to the investigation had been exhausted.

Q.42 Mr. King, how did you respond to Lt. Self when he proposed the extensions to you?

A.42 (MWK): When Lt. Self of the WCSD contacted me in mid-December about the possibility of extending the undercover operation beyond the end of 1984, I advised him of our plan to begin the use of narcotic detection dogs on site and of an upcoming reduction in force which could result in the departure of suspects. I also had in mind the fact that the confidential informant could not safely and effectively continue in his role for an extended period and that he said that he could not help with the second shift. Once a person has a circle of drug contacts and his current friends know him to be well supplied, it becomes highly suspicious if he attempts to associate with a different group in order to make purchases. I was also concerned about the potential continued and extended presence on site of employees already identified by the investigation as being known drug users.

Q.43 In paragraph 11 of her affidavit, Ms. Burch states that Sheriff Baker and SBI Supervisor Overton made the decision to cease the undercover operation. In paragraph 14, she states that "the sole and exclusive reason for the termination by the SBI was CP&L's insistence on bringing in drug dogs prematurely; thus, creating a substantial and too high a risk to the

personal safety of the law enforcement officers if they remained in the undercover operation with drug dogs on-site." Did CP&L initiate narcotic detection searches with a dog in order to terminate the undercover operation?

A.43 (MWK): No. I did not encourage the SBI and WCSD to continue the operation. However, the narcotic detection dog was not introduced in order to thwart the investigation. Plans for using drug dogs had been under consideration for some time. The CP&L Drug and Alcohol Interdepartmental Procedure adopted in 1982 states that trained animals may be used to conduct searches for illegal drugs. In August, 1984, Mr. McDuffie (CP&L Senior Vice President, Nuclear Generation Group) requested additional information on the use of dogs. At that time, we began talks with local dog handlers and started making plans to bring dogs on after the undercover operation was completed. We then expected the operation to be concluded by the end of the year. We understood that it would be undesirable to initiate searches with dogs in the midst of the investigation -- not because of concern with the agents' cover, but because the drug activity under investigation might dry up at least temporarily.

When I was approached in mid-December and during a subsequent meeting about extending the operation, we had already contacted a dog handler and were beginning contract negotiations. I did advise the WCSD and SBI personnel that Harris Project management wanted the dog detection searches. The



first visit with the dog was in fact on February 25, 1985 -- some six weeks after the undercover operation ended. I do not recall stating that CP&L was going to use, or insisted upon using, the drug dogs "immediately". However, it is clear from our discussion at the meeting of August 12, 1985 with WCSO personnel, that I did not succeed back in December in communicating that the dog would not actually be on site until late February, and that they were left with the impression that use of the drug dog was imminent. Sheriff Baker stated at this meeting, however, that he did not believe CP&L was attempting to stop the investigation, but rather that we had a conflict of goals and objectives.

(MWK, DGJ): Based on our professional experience and training, we do not agree that the presence of a dog to conduct random searches at the site would have endangered the lives of the undercover agents -- if the operation had been extended. We do not see why suspects would have associated those activities with the two agents posing as consultants.

(DGJ, MLP): During our meeting of September 11, 1985, former SBI Agent Williams was asked for his opinion, and stated that he did not believe the dog searches would have posed a threat to his personal safety.

(PBB): As former Administrator of the DEA, I can readily sympathize with the concern and responsibility Sheriff Baker and SBI Supervisor Overton felt for the personal safety of their undercover agents. However, I have to agree with my



colleagues here. I cannot imagine why the dog searches would have constituted a danger to the officers. In my view, they would not have been a threat to the agents' safety. Rather, the initiation of such searches could well have served as an instrument to bind the agents' contacts with their suspects through open discussions about how to mutually cope with the intrusion.

Q.44 Ms. Burch advances her opinion, in paragraph 14 of her affidavit, that the termination of the undercover operation was premature, that the operation was not complete, and that it was not terminated because the law enforcement agencies recommended it or because of a lack of suspects. In paragraph 15, she expresses the opinion that if the investigation had continued, more arrests would have been made. Do you agree with these views?

A.44 (DGJ, MLP): It is difficult to conclude objectively when such an investigation is complete. To some extent, it is always possible to argue that more could be accomplished with more time. Our first-hand observation of the operation revealed that the agents relied heavily on the informant to arrange the purchases which were made. Agent Williams' statements in our meeting of September 11 made it clear that he considered it to be the informant's job to arrange all of the sales for the officers. Mr. Williams also confirmed our view that the informant had apparently done all he could do with his contacts.

Given SBI Agent Williams' irregular attendance, the burden fell mostly upon Deputy Hensley to obtain cases against suspects. Yet, employees willing to sell drugs to the informant often would not sell to Deputy Hensley. Attachment 5, the record of drug buys by Deputy Hensley, illustrates what we concluded was a contracting rather than an expanding investigation. Except for one employee, the individuals who sold drugs to Deputy Hensley in December, 1984, were the same employees who made sales to him in November. After November 29, it was not until December 20 that an employee who had not earlier sold to the Deputy made a sale. In short, if there were many suspects, it does not appear that the officers were having success in cultivating them.

(MLP): At the outset of the undercover operation, Deputy Hensley stated to me that the WCSO had allocated \$7,000 for drug purchases during this operation. According to Attachment 5, \$1,725 was actually spent.

(PBB): My assessment of this information is that the investigation appeared to be winding down in December, 1984, and that there was little prospect that extending it would have yielded significantly different results. There are several different ways of using a confidential, inside informant in an undercover investigation. SBI Agent Williams appears to have used the informant as a lead, rather than just as a source of intelligence and a means of gaining initial access to employees. If this is representative of the approach to the

investigation, then the operation for all practical purposes was over when the informant had exhausted his circle of acquaintances involved in drug activity. As pointed out by my colleagues, the data on the drug purchases would indicate that new suspects were not being developed during the second month of the investigation to any meaningful extent.

Finally, I would note that only small quantities of drugs were purchased by Deputy Hensley. These are personal consumption quantities, not indicative of wholesale distribution operations. In sum, I see no reason to conclude that there were significant sources of drug activity yet to be investigated.

(DGJ, MLP): During our meeting with Mr. Williams, he expressed the view that an extended operation with Deputy Hensley and a new SBI agent, but with no inside informant, would not be successful. Yet, this is the very proposal Ms. Burch suggests CP&L should have endorsed.

Q.45 In paragraph 15 of her affidavit, Ms. Burch states that personal observations and intelligence gathered by the officers indicated that drug dealings and drug use were widespread at the Harris Plant. She does not further elaborate or quantify this opinion, except in paragraph 9 where she reports that Deputy Hensley stated that he observed at least one hundred employees using drugs while on the job. Applicants' assessment of the extent of drug activity among site employees is addressed in a separate piece of testimony, but could you comment briefly on these observations?

A.45 (MWK, DGJ): First, we want to make it clear that the SBI and the WCSD shared intelligence with us on suspects which they identified during the investigation. Since the Burch Affidavit was filed, CP&L has inquired of the SBI and the WCSD, and has been assured by them that CP&L was provided all the names of suspects identified through the investigation. Consequently, we assume that Deputy Hensley was referring to employees he did not identify. We also assume that Deputy Hensley would have identified employees possibly consuming drugs if he was physically close enough to them to do so.

Hard hats are required to be worn at the site. Each worker's hard hat has on it his last name, employee number and crew identification. If Deputy Hensley was not close enough to read any of these marks of identification, then we question the basis for his statement that he observed employees using drugs. As experienced law enforcement officers, we know that what might appear to be suspicious group activity from a distance, can on closer inspection be found to be quite innocent. Further, it is quite possible, if no identifications were made, that over time Deputy Hensley saw the same employees a number of different times, rather than one hundred separate employees.

It is somewhat understandable if the undercover agents believe there was more drug use at the Harris site than they could confirm. First, we know from our communications with the local law enforcement community that there are pre-conceived expectations of a high level of drug activity at the site.

Second, the informant was an experienced drug user who introduced Deputy Hensley immediately into a circle of drug dealers and users. It was the agent's job to infiltrate whatever drug community existed. It does not follow, however, that these employees are representative of the site population as a whole. It is also to be expected that rumors would exist, among those involved, of the extent of drug activity. People who are involved in drugs tend to try to convince themselves that everyone else is doing it as well.

(DGJ, MLP): The word "intelligence" also needs to be given a second look. It sounds sophisticated and confident. But at our meeting with Mr. Williams on September 11, 1985, he used the word "intelligence" to describe what the informant had told him and what Mr. Williams had taken no steps to confirm or to substantiate on his own. Consequently, intelligence should not be viewed to be corroborated or substantiated information.

We also asked Mr. Williams if he believes he ever personally observed employees consuming drugs on site. He stated that on one occasion he observed a group of five or six people he believed were consuming a drug.

(PBB): As a former law enforcement professional, I must express some degree of skepticism about Deputy Hensley's report of his personal observations. I find it difficult to believe that if he observed what he thought were employees using drugs, that he would not have taken some steps to identify them. Law enforcement officers would find it difficult to resist the

impulse to get close enough somehow to get some kind of identifying information.

Second, if these law enforcement agencies seriously believe there is widespread drug activity in the parking lots or in a nearby grocery store, or in the form of pounds of pure cocaine being flown in from Florida, then active steps would have been taken to enforce the law. CP&L's cooperation is not needed in this effort.

Q.46 Do you have any concluding remarks?

A.46 (WJH): Yes, I do. Mr. Joyner and Mr. Pleuddemann worked particularly hard to try to make this undercover operation succeed. I personally regret that anyone has questioned their motives or CP&L's actions in the conduct of this investigation. We have enjoyed and appreciated the cooperation of the WCSD and the SBI in the past, and look forward to their future assistance in the implementation of our drug abuse policies.

(PBB): I would also like to add some perspective on this controversy, because I am concerned that law enforcement agencies and utilities with nuclear power plants need each other and must cooperate for the public interest. In an undercover investigation at a nuclear power plant construction site, there is some inherent tension between the goals and responsibilities of the utility and the law enforcement agencies. This probably was not appreciated sufficiently by either side when this operation was planned.

The utility, concerned with the quality of power plant construction and the potential need to prove it, has the responsibility and goal of removing from the site promptly any contraband, drugs and those involved in drugs. Law enforcement agencies, concerned with building the maximum number of criminal cases, want suspects and the flow of drugs left undisturbed until they are ready to terminate the investigation, declare its existence and make arrests. These somewhat conflicting goals can be accommodated, but it requires cooperation and understanding by both sides. In a nuclear power plant setting, law enforcement must be prepared to move aggressively and swiftly so that implementation of corporate drug abuse policies are not suspended for an extended period.

In this case, CP&L went as far as it should have for as long as it should have. I believe the operation was terminated at the appropriate time, and that it confirms the other evidence which indicates that there is not widespread drug abuse at the Shearon Harris Nuclear Power Plant.



RESUME

WILLIAM J. HINDMAN, JR.

MANAGER - PROJECT ADMINISTRATION

Birthdate: April 22, 1943

Education and Training:

BS Degree in Civil Engineering from Clemson University - 1965

Engineer Branch Officer Basic Course (400 classroom hours) at U. S. Army Engineer School - 1966

Conversational Spanish Course (480 classroom hours) at Defense Language Institute - 1966

Military Police Officer Course (350 classroom hours) by extension from U. S. Army Military Police School - 1971

Engineer Branch Officer Advanced Course (475 classroom hours) at U. S. Army Engineer School - 1974

U. S. Army Command and General Staff College through U. S. Army Reserve School Program - 1978

Professional Affiliations and Achievements:

Member of American Society of Civil Engineers

Member of American Nuclear Society

Member of Reserve Officers Association

Registered Professional Engineer in North Carolina

Registered Land Surveyor in North Carolina

Registered Professional Engineer in South Carolina

Experience Prior to Joining CP&L:

1965 - 1968: U. S. Army Corps of Engineers

8th Special Forces Group (Airborne), Fort Gulick, Canal Zone -  
Captain

U. S. Embassy, Ecuador - Member of Mobile Training Team

U. S. Embassy, Peru - Team Chief for Technical Advisory  
Team

1968 - 1974: N. C. State Highway Commission, Raleigh, NC

Traffic Engineering Department - Assistant Traffic Research  
Engineer

N. C. Department of Transportation, Traffic Engineering  
Branch - Traffic Research Engineer

Experience with CP&L:

03/25/74: Employed as a Senior Engineer - Staff reporting to the Vice  
President of the Power Plant Construction Department, located  
in the General Office, Raleigh, North Carolina.

02/17/79: Reclassified as Senior Engineer and transferred to the Project  
Analysis Subunit of the Harris Site Management Unit, Nuclear  
Construction Section, Power Plant Construction Department.  
Located at the Harris site, New Hill, NC.

05/03/80: Promoted to Director - Project Analysis in the Harris Site  
Management Section of the Power Plant Construction Department.  
Located at the Harris site, New Hill, NC.

01/31/81: Reorganization - Department renamed to Nuclear Plant Construction.

09/03/83: Reorganization - Department renamed to Harris Nuclear Project

12/01/83: Promoted to Manager - Harris Project Administration in the Harris  
Nuclear Project Department.

07/05/85

WILLIAM J. HINDMAN, JR.  
ADDITIONAL MILITARY EXPERIENCE  
(U. S. ARMY RESERVE)

- I. May, 1969 - October, 1969  
Assistant S-3 (Captain) - 171st Support Group - Staff responsibility for training planning and implementation of training by a command group headquarters and subordinate units.
- II. October, 1969 - January, 1973  
Commander - 805 Military Police Company (Physical Security) - Supervisory responsibility for two full-time U. S. Government staff assistants and management responsibility for approximately one hundred twenty-five Army Reservists who met four drills per month.
- III. January, 1973 - October, 1978  
Training Officer - Headquarters, 120th U. S. Army Reserve Command - Staff responsibility for review, inspection, and reporting of classroom instruction presented by U. S. Army Reserve Schools in North and South Carolina.
- IV. October, 1978 - September, 1980  
Director, Military Occupational Specialty Training (Major) - 3286th USAR School. Responsible for managing a staff and faculty of approximately fifty senior grade personnel involved in conducting instructional training for approximately five hundred military personnel in eastern North Carolina.
- V. September, 1980 - December, 1981  
Director, Enlisted Courses (Lieutenant Colonel) - 3286th USAR School. Responsible for approximately one hundred staff and faculty personnel involved in training one thousand enlisted personnel in skill and leadership subjects.
- VI. January, 1982 - March, 1984  
Battalion Commander (Lieutenant Colonel) - Second Battalion, 108th Division. Responsible for five infantry companies and a battalion staff comprised of reserve personnel plus several full-time U. S. Government employees.
- VII. April, 1984 - January, 1985  
Brigade Executive Office (Lieutenant Colonel) - Third Brigade, 108th Division. Served as chief of staff and second in command for infantry organization consisting of four battalions of reserve personnel and fourteen full-time U. S. Government employees.
- VIII. February, 1985 - Present  
Brigade Commander (Colonel Position) - Third Brigade, 108th Division. Reports directly to the Commanding General of the 108th Division. Responsible for command and overall performance of the 3rd Brigade including four assigned battalions.

## RESUME

MICHAEL W. KING

SENIOR COMMISSIONED CONSTRUCTION  
SECURITY AGENTBirthdate: May 25, 1949Education and Training:Civilian:AAS Degree in Police Science Technology from W. W. Holding Technical Institute,  
Raleigh, N. C. - 1974BS Degree in Police Science from N. C. Wesleyan College, Rocky Mount, N. C. -  
1976Military:Officers Basic Course: Military Police, Officers Advance Course: Military  
Police, Officers Advance Course: InfantryProfessional Affiliations and Achievements:

Veterans of Foreign Wars

N. C. Law Enforcement Officers Association

Raleigh Police Club

Experience Prior to Joining CP&L:

01/66 - 06/67: Corning Glass Works - Process Engineering Technician.

01/67 - 03/73: United States Marine Corps - (a) Infantry; (b) Intelligence;  
(c) Interpreter.03/76-Present: United States Army Reserves - (a) Law Enforcement;  
(b) Instructor, Military Police; (c) Company Commander

04/70 - 08/70: Fast Fare - Assistant Manager.

08/70 - 01/78: Raleigh Police Department -

Uniform  
Community RelationsPersonnel  
Organized Crime/Consumer Protection  
Narcotics Investigator (Undercover & Investigations)Experience with CP&L:02/20/78: Employed as Construction Security Agent in the Administrative  
Section, Construction Security Unit of the E&C Support Services  
Department. Located in the General Office.

Michael W. King  
Senior Commissioned  
Construction Security Agent

- 2 -

- 02/23/80: Reclassified as Commissioned Construction Security Agent in the Construction Security Unit of the Administrative Section, E&C Support Services Department. Located in the General Office.
- 09/18/82: Promoted to Senior Commissioned Construction Security Agent in the Construction Security Unit of the Administrative Section, E&C Support Services Department. Located in the General Office.
- 03/11/85: Reorganization - Lateral transfer to Nuclear Plant Construction Department, Support Services Section. Located in the General Office.

6/6/85

RESUME

DONALD GLENN JOYNER

COMMISSIONED CONSTRUCTION SECURITY AGENT-SHNPP

Birthdate: January 24, 1947

Education and Training:

BS Degree in Police Science from N. C. Wesleyan College, Rocky Mount, N. C.  
Graduated 1977

Professional Affiliations and Achievements:

None

Experience Prior to Joining CP&L:

05/64 - 12/65: Donald G. Joyner Steel Contractor - Iron Worker.

12/65 - 05/66: N.C.S.U. Print Shop - Photolithographer.

05/66 - 03/70: U. S. Air Force - Photolithographer.

03/70 - 07/70: Donald G. Joyner Steel Contractor - Iron Worker.

07/70 - 09/79: Raleigh Police Department - Investigator.

Experience with CP&L:

09/24/79: Employed as Construction Security Agent - SHNPP in the Construction Security Unit of the E&C Support Services Department. Located at the Harris site.

06/25/83: Promoted to Commissioned Construction Security Agent - SHNPP in the Construction Security Unit of the E&C Support Services Department. Located at the Harris site.

03/11/85: Reorganization - Lateral transfer to Nuclear Plant Construction Department, Support Services Section. Located in the General Office.

3/21/85

MICHAEL L. PLUEDDEMANN

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Apex, North Carolina 27502

(919) 779-4430 (home)  
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EDUCATION: East Carolina University - Greenville, North Carolina  
B.S.P. in Parks, Recreation, and Conservation - 1978

OBJECTIVE: To obtain a career oriented position within the Human Resource field where my experience and education will provide an opportunity for professional advancement.

EXPERIENCE

SUMMARY:

- Experienced in administering federal regulations and corporate policies for hourly and salaried personnel.
- Skilled in resolving employee grievances.
- Developed and administered preventive unfair labor practices.
- Administered company drug policy and search/seizure procedures.
- Experienced in monitoring and assuring EEOC compliance, as well as, investigating complaints.
- Experienced in public relations.

EMPLOYMENT

HISTORY:

Daniel Construction Company  
Greenville, South Carolina

June 1973 to Present

SENIOR INDUSTRIAL RELATIONS REPRESENTATIVE

Shearon Harris Nuclear Power Plant, New Hill, North Carolina

November 1980 to Present

Responsible for administering corporate Industrial Relations program at a nuclear power plant under construction with work force of up to 6,000 employees. This experience included, but was not limited to employee relations, affirmative action, equal employment opportunity and security. Investigated and resolved cases dealing with the National Labor Relations Board, the Equal Employment Opportunity Commission, the North Carolina Human Relations Council and the Local District Courts. Security experience also includes investigations for theft and narcotics violations. Developed and administered project urinalysis program for Daniel employees. I have conducted seminars in Preventive Labor Practice and Equal Employment Opportunity. Public relations experience consisted of coordination and participation in local newspaper interviews. Edit on-site newspaper.

ADMINISTRATIVE ASSISTANT

Shearon Harris Nuclear Power Plant, New Hill, North Carolina

August 1978 to November 1980

Monitored service departments to ensure compliance with company procedures. Analyzed systems and procedures and developed more cost effective methods. Supervised field auditors and assisted in project work sampling. Established project toolroom and wrote procedures for ordering, warehousing, and distributing tools.



TIMEKEEPER

Pampers Project, Greenville, North Carolina

February 1978 to July 1978

Duties included timekeeping, insurance, and personnel functions.

ADMINISTRATIVE TROUBLE SHOOTER

Procter and Gamble Project, Greenville, North Carolina

October 1977 to February 1978

Reconciled authorized expenditure account records of Daniel with Procter and Gamble. Interpreted computer records and readouts.

PRODUCTION FUNCTIONS

Greenville, North Carolina and Albany, Georgia

June 1973 to May 1977

During this period, while attending school, I held twelve positions. Experience varied from shop situations as a carpenter apprentice to an office function as Accounts Payable Clerk. My work background enabled me to later relate to the hourly employee.

ACTIVITIES: Halifax Court Child Care and Family Service Center, Board Chairman  
Eagle Scout, Boy Scouts of America - 1970

REFERENCES: Available upon request.

## ATTACHMENT 5

## HENSLEY DRUG BUYS AS OF 12-28-84

<u>NAME</u>	<u>DATE</u>	<u>DRUG</u>	<u>AMOUNT PAID</u>
A	12-20-84	MARIJUANA	\$ 100.00
	12-21-84	MARIJUANA	90.00
B	11-21-84	COCAINE	200.00
	11-27-84	MARIJUANA	30.00
	12-06-84	COCAINE	120.00
C	11-26-84	COCAINE	200.00
	11-29-84	COCAINE	50.00
D	11-29-84	COCAINE	100.00
E	11-21-84	COCAINE	300.00
	12-11-84	HASHISH	120.00
F	11-20-84	MARIJUANA	60.00
	12-03-84	COCAINE	100.00
G	11-06-84	CRYSTAL	70.00
H	12-19-84	CRYSTAL	45.00
	11-13-84	CRYSTAL	45.00
	11-27-84	CRYSTAL, CRANK	45.00
	12-05-84	CRYSTAL	<u>50.00</u>
			\$1,725.00