

OFFICIAL USE ONLY

October 19, 1984

MEMORANDUM FOR: Chairman Palladino
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
Commissioner Zech

FROM: Sharon R. Connelly, Director
Office of Inspector and Auditor

SUBJECT: CONGRESSMAN MARKEY'S LETTER DATED JULY 27, 1984,
REGARDING REGION II ACTIONS RELATING TO GRAND GULF
NUCLEAR STATION

Attached for your information is the Office of Inspector and Auditor (OIA) Report of Investigation entitled "Congressman Markey's Letter of July 27, 1984, Regarding Region II Actions Relating to Grand Gulf Nuclear Station." The investigation focused on the two issues identified in Congressman Markey's July 27, 1984, letter to Chairman Palladino. More specifically, the issues as stated in the letter are: (1) "[D]id Region II officials unnecessarily and/or inappropriately share information with the licensee?" and (2) "[D]id Region II officials authorize a return to operations, and/or allow continued operation, subsequent to learning that the qualifications of Grand Gulf reactor operators were probably falsified and the operators potentially unqualified?"

The two issues identified stem from a training assessment/inspection, documented in Report #50-416/83-06, of reactor operator training at the Grand Gulf Nuclear Station (GGNS) which was conducted by Region II from February 15 through 17, 1983. The findings of that assessment showed that all of the training records for licensed operators could not be located. Region II initially believed that the discrepancies with the training records were attributed to missing or misplaced documents. However, as time progressed toward the restart of GGNS on September 25, 1983, through the October/November 1983 timeframe, the broadening scope and increasing severity of the discrepancies with the training reportedly became more apparent to Region II. Region II actions relating to the sequence of events briefly described above are the subject of Congressman Markey's concerns.

CONTACT: Mark E. Resner, OIA
492-4452

8510010071 850923
PDR FOIA
REBER85-419 PDR

PRICE						
NAME						
DATE						

OFFICIAL USE ONLY

OFFICIAL USE ONLY

- 2 -

With respect to the first issue, the investigation disclosed that a Region II official did advise Mississippi Power and Light (MP&L) officials on August 19, 1983, that discrepancies with reactor operator training records at GGNS were considered to be a deviation and could potentially be construed as Material False Statements (MFS). Additionally, on September 23, 1983, at least one Region II official verbally cautioned an MP&L Vice President that the discrepancies in the training records were considered to be an MFS and not a deviation as Region II had first believed. The September 23, 1983, disclosure by the Region II official was subsequent to discussions on September 20, 1983, among Region II staff, wherein a decision was made to refer the MFS matter to the Office of Investigations (OI). On October 18, 1983, Region II formally requested OI to conduct an investigation of this matter.

[REDACTED] opined that if Region II had entertained any thoughts on September 23, 1983, of referring this matter to OI, there should have been no further discussion of the MFS between Region II and the licensee unless there were health and safety concerns involved. He noted, that to his knowledge, there were no such concerns at that time. The Director, Enforcement and Investigative Coordination Staff, Region II, noted that the health and safety considerations were minimal. The [REDACTED] believes that the disclosure by Region II caused the objective of the investigation to be made known prematurely to MP&L and resulted in an element of preparedness on the part of certain MP&L officials. From that perspective, he believes there was a compromise of the OI investigation.

Region II believes that no improper action was taken by them concerning the sharing of information with the licensee. They contend that it is common practice for Region II, when conducting management or enforcement meetings with the licensee, to remind the licensee of the necessity to submit accurate and factual information to NRC. Region II believes that it is not appropriate for NRC to use entrapment or stealth in order to trick the licensee into making additional MFS or allow the licensee to continue in unsatisfactory performance of safety-related activities for the purpose of supporting potential enforcement actions.

[REDACTED] In this regard, OIA noted that Region II staff is provided with guidance concerning the handling of serious matters, to include MFS. The guidance is provided in the context of how such matters relate to all allegations and enforcement actions. However, OIA also noted that no specific documented guidance is provided to the Region II staff concerning what communications with the licensee are considered appropriate or inappropriate when handling an MFS matter being referred to OI.

[REDACTED]

The second issue essentially concerns Region II actions with respect to the operation of GGNS subsequent to becoming aware in February 1983 that discrepancies in licensed operator training records at GGNS existed.

OFFICIAL USE ONLY

- 3 -

The investigation showed that subsequent to the initial training assessment by Region II in February 1983, the extent of the discrepancies in the training program became apparent to Region II over approximately a nine to ten month period. From the information developed by Region II during this period, the discrepancies in the training program indicated the problem was management and administration of the licensee's operator training program as opposed to the competence of the individual licensed operators. Although there were varying degrees to the severity of the discrepancies in the training program, Region II knew that the operators involved had been examined and licensed by NRC and believed there was no basis for suspension or revocation of their licenses. OIA noted that Region II officials told the licensee on August 19, 1983, that if Region II knew the training for reactor operator license candidates committed to in the licensee's Final Safety Analysis Report had not been accomplished, the operator exams would not have been conducted until the training had been completed. OIA also noted that NUREG-1021, "Operator Licensing Examiner Standards," which sets forth the eligibility requirements for reactor operator and senior reactor operator license candidates includes training prerequisites.

At the time of the September 25, 1983, restart of GGNS, Region II believed that the operators were competent. However, during a second Region II training assessment conducted from October 31 through November 4, 1983, Region II concluded that three licensed operators were deficient in their knowledge of the plant. In addition, another licensed operator had discrepancies in his training records. Consequently, on November 4, 1983, Region II effected the removal of these four operators from their respective duties.

Finally, the problems identified with the licensed operator training culminated with Region II requiring a recertification by MP&L of the training program for the operating staff at GGNS.

Attachment:
Report of Investigation

cc: William J. Dircks, EDO, w/attach
Ben B. Hayes, Director, OI, w/attach
Walter A. Magee, OCM, w/attach