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Date: 8/2/96 5:16am
Subject: Hartford Courant 8/2/96

NU workers briefed on dealing with FBI

By MIKE McINTIRE

This story ran in the Courant August 2, 1996

It was 2 p.m. on a hot Tuesday in July when 18 engineers and plant managers filed into Room 2 of a training building at the Millstone nuclear power station.

The topic of the day: how to deal with the FBI.

For the next few hours, nuclear engineers and technicians, who are more used to slide shows on reactor safety, were treated instead to a primer on

federal grand jury investigations. Many of those present had some involvement in problems with the storage of spent fuel rods at Northeast Utilities'

Millstone 1 plant, which are the subject of a criminal probe by the FBI.

NU provided a good instructor for the unusual training session: Stanley A. Twardy Jr., the former top federal prosecutor in Connecticut.

"He told us about techniques the FBI uses to question people, how they may come in at a time when it may not be convenient for you," said Larry

Chatfield, director of NU's employee concerns program. "Basically, we were reminded that we have rights, and that we should take a deep breath before making any decisions" about talking to the FBI.

An NU attorney at the meeting told employees that if they are approached by investigators, they should go to the company before deciding what to do,

Chatfield said.

"I think they said they would give us advice on how to go, including possibly providing a lawyer," he said.

Many companies find their activities the subject of investigations or legal proceedings, and it is not unusual that they prepare for them. But the July 16

meeting provides an uncommon glimpse of how such a company, in this case NU, is doing so.

The company and its employees are currently faced with responding to various inquiries into allegations of mismanagement and, possibly, criminal violations at Millstone. But because of its documented track record of intimidation and harassment of employees, NU has to tread carefully in advising

employees on how to respond in a criminal case.

An NU employee at the meeting, who did not want to be identified because of fear of reprisal, said he believed the implicit message from the company

was to "think twice" before cooperating with the authorities. The company says that was not the point of the meeting, and Chatfield said he did not get that impression.

"Overall," he said, "I think it was aboveboard."

M. Hatcher Norris, a former assistant U.S. attorney who is now in private practice, said the company may find it has conflicting interests when it

comes to providing legal advice to employees.

"It becomes a nebulous area when the company is offering advice to employees who, ultimately, may have to make a decision to provide information or testify for investigators against the company," Norris said.

"They have to be very, very careful in this situation."

NU has been found to have retaliated against whistle-blowers, and is currently being sued by several former engineers who say they lost their jobs because they passed along information to federal regulators during a 1991 investigation of NU.

The utility also has been criticized in the past by regulators and consultants for its seeming "over-use" of lawyers in delicate situations involving personnel or nuclear safety issues.

Myra Humphries, an NU spokeswoman, said the purpose of Twardy's session with the engineers and technicians was to offer to help them obtain outside legal counsel and advise them that they get a lawyer before speaking to criminal investigators.

"They were told at least a half-dozen times that the company is committed to cooperating fully with the government in its investigation, and that they

should cooperate fully as well," Humphries said. "If anybody left with any impression that they should do anything but cooperate, they missed the

whole point of the meeting and you have to question their motives."

Twardy, a partner in Day, Berry & Howard in Stamford, said he encouraged employees to exercise their right to seek counsel before talking to

investigators.

Companies routinely seek out criminal lawyers and ex-prosecutors, like Twardy, to dispense legal advice on how to cope with investigations.

In fact, one participant in the NU meeting said he appreciated

Twardy's advice and found him to be "as fair and impartial as you can be in these situations."

The criminal investigation by the U.S. attorney's office, which Twardy headed from 1985 to 1991, began after it received a report in May from the Nuclear Regulatory Commission that dealt mostly with NU's violation of its operating license for Millstone 1.

The regulators found that NU routinely off-loaded too many radioactive fuel rods into the plant's spent fuel pool, increasing the risk of an uncontrolled

release of radiation if the pool overheated. The NRC has since amended NU's license to permit the procedure.

The meeting with Twardy was announced in a memo July 8 from Lillian Cuocco, NU's senior nuclear counsel, who said attendance was voluntary. The meeting was described as an informational briefing "intended to answer questions and address your concerns regarding the status of [the NRC inquiry] and the [U.S.] Department of Justice investigation process."

Also at the meeting was David Repka, a former NRC attorney who now works for the Washington, D.C.-based law firm Winston & Strawn, according to meeting participants. Winston & Strawn specializes in representing nuclear utilities.

Meeting participants said Twardy explained how FBI agents looking to question NU employees were likely to show up at inconvenient times, such as early in the morning or immediately after work. He pointed out that no one has to speak to any law enforcement officer without first talking to an attorney, the participants said.

Most of those who attended the meeting were potential interview subjects for any investigators probing events at Millstone, specifically the spent fuel pool violations, meeting participants said. Chatfield, as head of the employee concerns program, acknowledged that he would be an obvious source of information, although he said no one from the FBI had approached him.

For longtime nuclear professionals such as Chatfield, the prospect of being embroiled in a criminal investigation is unsettling.

"This is a very unnerving thing," he said.

From: PAUL M. BLANCH <PMBLANCH@ix.netcom.com>
To: AL POLLACK <POLLAAL@nu.com>
Date: 8/2/96 8:11am
Subject: NO PROBLEMS

NOW I FEEL COMFORTABLE!

Source: Reuters

WASHINGTON, Reuters via Individual Inc. : The U.S. Nuclear Regulatory Commission said Thursday it found no major problems in the spent fuel cooling pools at nuclear power plants across the country.

"We have concluded that existing facilities provide adequate protection for public health and safety," said Gary Holahan, from the NRC's Office of Nuclear Reactor Regulation.

"We have confidence that there are several layers of defense...to minimize the likelihood of drainage or a loss of cooling event," Holahan said.

The commission staff reviewed controls over water levels, pool temperatures and reactivity of the spent fuel in the pools.

One issue they were particularly interested in was potential loss of cooling in pools that depended on an off-site power supply, where Holahan said water could boil much more rapidly than at plants where there is on-site backup power.

If there is a loss of cooling and there are no backup systems, it would take one to several days for the 23 feet of water above spent fuel rods to boil down to the level of the rods, he said.

The commission's report concluded that the risks from spent fuel pools "are a small fraction of the overall risk associated with an operating light water reactor."

Commission staff said they were now recommending some minor safety improvements at 38 reactors at 22 different sites.

Holahan said they would pursue cases where the most substantial improvements could be made.

The NRC began reviewing spent fuel pools after potential problems were discovered several years ago at Pennsylvania Power & Light Co's Susquehanna Plant and Unicom Corp <UCM.N> subsidiary Commonwealth Edison's Dresden Plant.

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This story is found in the following NewsPage topics:

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From: PAUL M. BLANCH <PMBLANCH@ix.netcom.com>
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Date: 8/2/96 8:44am
Subject: WHAT, ME WORRY

The following is in response to the article on "NO PROBLEMS WITH SPENT FUEL POOLS."

Paul: All I can say is, this confirms it: the NRC is the Alfred E. Newman of regulatory agencies.

(In case you don't know, or have forgotten, Alfred E. Newman was/is the poster boy for Mad magazine, who is famous for his quote "What, me worry?")

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