

# UNITED STATES NUCLEAR REGULATORY COMMISSION

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In the Matter of: )

THE WACKENHUT CORPORATION )

) No. EA 96-384  
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## RESPONSE OF THE WACKENHUT CORPORATION TO THE DEMAND FOR INFORMATION

The Wackenhut Corporation ("TWC") respectfully submits this response to the NRC's Demand for Information No. EA 96-384 (the "Demand"). The Demand is prompted by an incident which occurred in October 1995 involving TWC's background investigations of contract personnel for the Nebraska Public Power District ("NPPD"). NRC has investigated that incident and reached the following conclusions set out in Section II of the Demand:

The investigation did not establish that TWC personnel in either location deliberately violated NPPD procedures or NRC access authorization requirements. However, the investigation did establish that TWC personnel showed a willingness to follow a client's instructions even when they believed the client may be wrong.<sup>[1]</sup>

Based on this incident, "NRC is concerned that the circumstances of this matter reflect either a general lack of understanding of TWC's responsibility for compliance or a lack

<sup>1</sup> TWC agrees that these are fair and accurate conclusions, and accordingly takes no exception to them.

of regard for compliance with NRC requirements in the performance of TWC's contracts."

The Demand requests TWC to provide the following information:

- A. Assurance that TWC, as a contractor to NRC licensees, understands its responsibility for compliance with licensee procedures and NRC requirements and that TWC personnel have been trained accordingly;
- B. Assurance that TWC personnel are in fact assuring compliance with licensee procedures and NRC requirements in the performance of their duties under contract to NRC licensees; and
- C. A description of any corrective actions taken as a result of an incident involving violations of access authorization procedures at Cooper Nuclear Station in October 1995 in which TWC personnel carried out a client's directions to use provided references as developed references.

This response begins with a description of the corrective actions taken as a result of the incident and then addresses the assurances requested in the Demand.

**I. A Description of Corrective Actions Taken As A Result Of An Incident Involving Violations of Access Authorization Procedures At Cooper Nuclear Station In October 1995 In Which TWC Personnel Carried Out A Client's Directions To Use Provided References As Developed References**

The corrective actions taken by TWC have focused on the reasons why TWC personnel did not immediately and decisively reject the improper directives given by the NPPD employee. A brief amplification of these reasons is therefore appropriate.

TWC strongly believes that its investigative and supervisory personnel involved in this incident are men and women of integrity who are dedicated to doing their work properly and well. The on-the-record interviews freely given by these personnel to NPPD shortly after the incident suggest that their error had two causes. First, TWC teaches its employees that, as providers of services, they must be devoted to customer satisfaction.

Here, that desire to serve the customer resulted in a misguided reluctance to challenge the NPPD employee's directives, until the matter had been thoroughly reviewed. Second, TWC personnel failed to understand fully the implications of the directives. They were accustomed to dealing with many different interpretations of NRC guidelines embodied in the respective procedures of licensees, and, though clearly troubled about the directives, they did not immediately recognize that those directives were not matters of procedure, but rather were invitations to falsify records. Thus, while the TWC personnel did ultimately report the matter to NPPD, they allowed themselves in the meantime to become a party to the improper action.

TWC has taken several corrective actions to assure that its personnel will not in the future defer to an improper client request, and to reemphasize both the criticality of accurate records and the potentially severe penalties associated with the knowing submission of an inaccurate or falsified record. These actions are set out below.

1. In December 1995 a training meeting was held in the Pensacola office in conjunction with a letter written December 6, 1995 by Michael Verrastro, National Director, Investigations, to NPPD. A copy of the December 6, 1995 letter is Exhibit A to this response. The investigators and supervisors in the Pensacola office discussed in that meeting the errors that had been made in the handling of the cases at NPPD. The points covered were the following:

- Client demands that appear to be inconsistent with procedures and requirements or otherwise improper should not be carried out, but rather the

investigator should immediately advise TWC management of the suspected irregularity or impropriety.

- A TWC supervisor will immediately notify a client of any apparent irregularity or impropriety.
- After notification of the client, a written memorandum will be sent by TWC to the client (via facsimile) for signature and confirmation of the action to be taken.
- Should TWC consider that the response from the client is unsatisfactory, TWC will immediately notify senior site management of the reason why TWC believes the response to be unsatisfactory.
- The requirement that all background investigation documents be accurate and that falsification will not be tolerated was emphasized to all.

At the end of this training meeting, all investigators were required to sign the December 6, 1995 letter, and those signed letters are kept on file.

2. On December 15, 1995 TWC revised its Nuclear Screening Program Code of Conduct to memorialize TWC's new procedure. The new language states:

Any TWC investigator instructed to perform what could be considered irregularities/improprieties shall immediately notify TWC management.

TWC procedure is to immediately notify any client of any irregularity/impropriety by telephone. Upon completion of telephone conversation, a written memo will be sent to client (via facsimile transmission) for signature and confirmation of the action to be taken. Should an incident of irregularity/impropriety involve the TWC primary contact, notification will be made to his/her supervisor or manager.

Should TWC management deem that an unsatisfactory response was received from a client contact, TWC management will immediately notify senior client site management of the reason TWC perceives the response to be unsatisfactory.

The Code of Conduct was further amended on February 3, 1997, to add the following provision:

Should the nature of any irregularity/impropriety to be considered a violation of the NRC rules/regulations, NRC will also be notified immediately by TWC management.

This additional provision reflects TWC's actual practice, since the NPPD incident, of contacting NRC whenever its management is in doubt about the consistency of a licensee's directive with procedures and requirements. A copy of the Code of Conduct is Exhibit B to this response.

3. A memorandum dated June 17, 1996 was sent to all investigators for signature. This memorandum re-enforces the requirement that all documents received from a client or initiated by any TWC employee must be retained in the file and may under no circumstances be destroyed, changed, or otherwise altered. Investigators' signatures on this document are on file in Pensacola. A copy of the June 17 memorandum is Exhibit C to this response.

4. A further comprehensive review in response to the Demand has resulted in several additional actions:

- A memorandum dated February 3, 1997 (Exhibit D to this response) from Michael Verrastro directs George Harris to ensure that all investigation staff are familiar with 10 C.F.R. § 50.5 regarding deliberate submission of

materially inaccurate or incomplete information or deliberately causing a licensee to be in violation of a regulation or procedure of the NRC.

- On February 3, 1997 a training meeting was held in the Pensacola office, and the provisions of 10 C.F.R. § 50.5 were reviewed with all investigators and supervisors. Investigators were reminded of the need to be alert to improper client directives.
- On February 4, 1997 successive training meetings were held by conference telephone with personnel in the Cleveland and Athens, Ohio offices. Again, TWC supervisors reviewed 10 C.F.R. § 50.5 and reminded investigators to be alert to improper client directives.
- All investigators have been required to sign off on the February 3, 1997 memorandum, and those signatures are on file in Pensacola.
- On February 3, 1997 the Code of Conduct was further amended to memorialize the policy of contacting NRC immediately with regard to any irregularity or impropriety which is considered to be a violation of NRC requirements.

These corrective actions have made our personnel alert to any irregularity and will assure that there will be no repeat of the NPPD incident.

**II. Assurance That TWC, As A Contractor To NRC Licensees, Understands Its Responsibilities For Compliance With Licensee Procedures And NRC Requirements And That TWC Personnel Have Been Trained Accordingly. \_\_\_\_\_**

TWC can state unequivocally that it understands its responsibility for compliance with licensee procedures and NRC requirements and that TWC personnel have been

trained accordingly. This is true not only with regard to its investigative work but also with regard to TWC's extensive nuclear security operations.

TWC has performed background investigations under contract with NRC licensees for many years. It has always understood its legal responsibility to comply with licensee procedures and NRC requirements, and it has endeavored at all times to do so. TWC has a contract obligation to its clients to perform in conformance with the licensee procedures which are, either explicitly or by reference, terms of that contract. TWC also recognizes that licensee procedures must not be inconsistent with NRC requirements and that it has a responsibility to its clients and to NRC to question any procedure which appears not to follow those requirements.

Most particularly, TWC recognizes its obligation to the client and to NRC to assure that investigative reports are accurate and complete. Background investigations are an important aspect of this country's program to assure the safety of our nuclear facilities, and those reports must be accurate and complete every time. TWC understands that pursuant to 10 C.F.R. § 50.5, it and its employees individually are subject to monetary fines for deliberately causing a licensee to be in violation of any NRC requirement or for deliberately submitting a report which has information known to be materially incomplete or inaccurate. Similarly, TWC is aware that false statements can be subject to criminal penalties.

TWC emphasizes compliance with licensee procedures and NRC requirements in its training program. TWC's training orientation course includes review of NUMARC guidelines. TWC supervisory personnel assist new investigators in understanding each licensee's particular procedures by preparing a "scope sheet" which summarizes the

requirements for that licensee. TWC has always emphasized in its training the requirement that investigative reports be absolutely accurate. For example, TWC's Code of Conduct states:

It is the sole responsibility of the investigator to ensure that all back-up documentation is completed and correctly filled out in black ink only. At no time will corrections to back-up documentation be accomplished by the use of white-out. If a correction is to be made, the following method will be used. Draw a single line through the wrong information and place your initials on the line. It is the responsibility of the investigator to ensure that all back-up documentation is in correct order for typing. Prior to turning a completed case into a supervisor, the investigator will review the case report for accuracy and completeness.

TWC's training has also long included a warning about criminal and civil penalties to which employees could be subjected for falsification of documents.

As already described, since the incident with NPPD, TWC has taken further steps to assure compliance with licensee procedures and NRC requirements. These further steps include new procedures for dealing with suspected irregularities or improprieties in client procedures or directives and refresher training on the requirement for absolute accuracy in investigative information. All new investigators will be trained in the subjects of Mr. Verrastro's letters of December 6, 1995 and February 3, 1997. All new investigators will be required to sign-off on those documents, as well as the memorandum of June 17, 1996.

**III. Assurance That TWC Personnel Are In Fact Assuring Compliance With Licensing Procedures and NRC Requirements In The Performance Of Their Duties Under Contract To NRC Licensees.**

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TWC can state unequivocally that TWC personnel are in fact assuring compliance with licensee procedures and NRC requirements in the performance of their duties under

contract to NRC licensees. The NPPD incident is unprecedented, and TWC is confident that there will be no repetition of that incident.

A significant contributing factor to the inappropriate handling of the NPPD incident was a reluctance to question a client representative or to believe that the client would direct an action which was improper. That attitude has dramatically changed. TWC supervisory and investigative personnel are now highly sensitized to the fact that actions which appear inconsistent either with licensee procedures or NRC requirements cannot be presumed proper because a client employee directed them. This incident has also caused TWC personnel to recognize that, while NRC is not a party to TWC's contract with the client, NRC plays an important role in the matters covered by that contract. The NPPD incident has opened up a channel of communication between TWC investigative personnel and the NRC which had not previously existed. TWC supervisory personnel have, on several occasions since the NPPD incident in October 1995, used that channel of communication when they had concerns about client procedures. They will continue to do so.

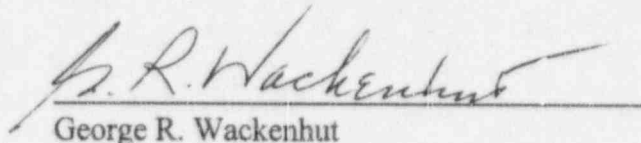
TWC supervisors review every background report for consistency with licensee procedures and NRC requirements before that report is sent to the client. TWC also performs a compliance review based on random sampling of 5% of all cases completed on a monthly basis. This audit involves a check of the accuracy of all information obtained by investigators on those cases.

Thus, while TWC personnel have always endeavored to assure compliance with licensee procedures and NRC requirements, they are now even more motivated to assure that there will be no repetition of the NPPD incident.

IV. Conclusion

TWC has built a reputation over many years for excellence and reliability in investigative work. We pledge to NRC that we will do everything in our power to continue to earn that reputation.

For The Wackenhut Corporation

A handwritten signature in dark ink, appearing to read "G. R. Wackenhut", is written over a horizontal line.

George R. Wackenhut  
Chairman of the Board and  
Chief Executive Officer

February 10, 1997

Date

# WACKENHUT

INVESTIGATIONS DIVISION

December 6, 1995

THE WACKENHUT CORPORATION  
1500 SAN REMO AVENUE  
CORAL GABLES, FLORIDA 33146-3009  
TELEPHONE: (305) 662-7363  
FAX: (305) 662-7382

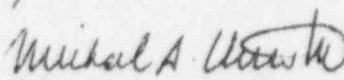
NEBRASKA PUBLIC POWER DISTRICT  
Attn: G.R. Horn  
Vice President, Nuclear  
PO Box 499  
Columbus, Nebraska 68602-0499

Dear Mr. Horn:

In reference to your letter of October 31, 1995, The Wackenhut Corporation provides the following responses as requested:

- ◇ In order to prevent recurrence of delayed information to any nuclear client, the following procedures were implemented:
  - ⇒ Training meeting with nuclear background staff regarding issues of falsification of nuclear backgrounds, including application preparation at any client site.
  - ⇒ Training meeting with nuclear background staff to re-emphasize existing TWC procedures on conducting nuclear backgrounds. Particular attention was given to the immediate notification to management of any irregularity that is uncovered.
  - ⇒ Change of TWC procedure to immediately notify clients of any irregularity by phone. Upon completion of conversation, a written memo will be sent to client (via facsimile) for signature and confirmation of the action to be taken. Should an incident of irregularity involve the TWC primary client contact, notification will be made to his/her supervisor or manager.
  - ⇒ Should TWC deem that an unsatisfactory response was received by a client contact, TWC will immediately notify senior site management of the reason why TWC perceives the response to be unsatisfactory.

Sincerely,

  
Michael A. Verrastro  
National Director, Investigations

MAV:jkm

cc: Mike Peckham - NPPD  
George Harris - TWC/Pensacola

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THE WACKENHUT CORPORATION  
(TWC)  
NUCLEAR SCREENING PROGRAM/  
CODE OF CONDUCT

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APPROVED-TWC MANAGER NUCLEAR  
BACKGROUND INVESTIGATIONS

\_\_\_\_\_  
DATE

\_\_\_\_\_  
APPROVED-TWC MANAGER OF  
INVESTIGATIONS

\_\_\_\_\_  
DATE

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THE WACKENHUT CORPORATION (TWC) NUCLEAR BACKGROUND  
SCREENING CODE OF CONDUCT

1.0 PURPOSE

The purpose of this procedure is to establish an Access Screening Program (ASP), which satisfies the regulations and requirements established by the NRC for granting access to nuclear power plants and for protection against radiological sabotage. It also addresses site specific requirements identified by the Licensee. The information obtained will be used in determining whether an individual should be granted "Unescorted Access" to the Vital and/or Protected Areas of A Licensee Nuclear Power Facilities.

2.0 SCOPE

- 2.1 The Wackenhut Corporation (TWC) has endeavored to be responsive to the scope of work as described in the Industry Guidelines for Nuclear power Plant Authorization Programs NUMARC 89.01; TRANSFER 91.03; 10CFR 26; 5.66; 73.56, and 73.57.
- 2.2 The Manager, Nuclear Background Investigations will be authorized and responsible to act on behalf of TWC on all matters pertaining to the conduct, completion and submission of reports for specified background investigations. He will be available twenty-four (24) hours a day, seven (7) days a week, either on duty, or by means of telephone communication. In the event of absences, a designated acting manager will be available.
- 2.3 Staffing requirements and physical support facilities have been given careful consideration in order to fully provide required capabilities predicated upon projected annual case load.
- 2.4 The Wackenhut Corporation recognizes the purposes and importance of providing timely and factual information to assist Nebraska Public Power District in meeting its responsibilities.

This procedure is applicable to all employees/contractors requiring unescorted access to Nebraska Public Power District. This procedure defines the process to be followed and the criteria to be evaluated, to determine whether an individual meets NRC and/or Licensee's requirements for assignment to A Licensee's nuclear facilities.

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### 3.0 MAINTENANCE

The manager of nuclear background investigations or designee, is responsible for updating this procedure.

### 4.0 RESPONSIBILITIES

- 4.1 The Wackenhut Corporation (TWC) is cognizant of the purpose and necessity of the background investigations as required by Nebraska Public Power District.
- 4.2 This project will be under the control of Mr. George Harris and Mrs. Rebecca Cox, TWC Pensacola, FL. They will report directly to Mr. Michael Verrastro, National Director of Investigations, The Wackenhut Corporation, West Palm Beach, Florida.
- 4.3 The TWC Senior Project Manager, Investigations (George Harris) will have immediate and direct access to the Headquarters Director of Investigations, Mr. Michael Verrastro. This will ensure timely response for all situations requiring additional personnel and support.

Mr. George Harris, Senior Investigations, coordinates all nuclear investigative services and operations for TWC throughout the United States from the main control office located in Pensacola, Florida. The TWC Headquarters Investigations staff also includes the position of Director or Investigative Operations. This individual is responsible for maintaining the standards and monitoring all investigative services provided by TWC.

### 5.0 DOCUMENTATION

- 5.1 Documentation is defined as any written record which can and/or will be used to determine an individuals suitability to be granted Unescorted Access to the Licensee's nuclear facility.
- 5.2 All documentation shall be consolidated and maintained in a TWC office warehouse. Documentation shall be considered confidential and, shall be maintained in secure files and/or areas.

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- 5.3 Screening documentation shall be available to Licensee's Nuclear Licensing personnel and representatives of the NRC for audit purposes. Audit personnel and/or authorized (Licensee) personnel may make photocopies of documentation and remove said photocopies from TWC offices.
- 5.4 Documentation shall be retained for five (5) years subsequent to an individual's removal from unescorted access status.

6.0 COMPLIANCE PROGRAM

- 6.1 Introduction. In order to meet the high quality standards required for background investigations that are utilized in the screening process necessary for the granting of a clearance for access to vital and protected areas of a nuclear facility, a special program has been developed.

The Wackenhut Corporation (Pensacola Office) has incorporated some existing programs with new training and procedures to provide a control system designed for conducting and monitoring background investigations for Nebraska Public Power District.

- 6.2 Screening of Investigative Personnel. All Investigators employed by The Wackenhut Corporation (Pensacola, Cleveland and Athens Offices) must first pass a rigid background investigation, training program, and a 90 day probation period.

Upon application a five year background investigation is conducted on each applicant as a means to determine reliability and trustworthiness.

- 6.3 Specialized Training. A program designed to acquaint the investigator with the general needs of the nuclear industry, the regulatory controls for this industry and the importance of the screening program as it relates to those individuals who are granted clearance for unescorted access.

Applicants are subjected to a training orientation course consisting of NUMARC guidelines 89.01, 91.03, 10 CFR part 26, 5.66, 73.56 and 73.57; a video tape (developed by TWC) on how to conduct background investigations; back-up documentation; orientation for credit and driver license record checks.

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After successful completion of screening and training programs, investigators are placed on a ninety (90) day probation period at which time a determination is made as it relates to the investigators capabilities.

All investigators hired in The Wackenhut Corporation Pensacola Office are licensed under the State of Florida and hold either a Class C or Class CC (Intern) Private Investigators License.

All investigators hired to conduct Nuclear Background Clearances in The Wackenhut Corporation Cleveland and Athens, Ohio offices are licensed under the State of Ohio regulations.

- 6.4 Control of Case Activities. All background investigations are controlled and monitored by TWC's main control office located in Pensacola, Florida. Upon receipt of a new case, appropriate internal case forms are prepared by the main control office, indicating the name of the Subject and type of investigation. The Manager of Nuclear Background Investigations will ensure that the case assignment number is entered into a control log. The log will provide the control data necessary for the Manager of Nuclear Backgrounds to monitor the case progress and ensure timely completion of the assignment.
- 6.5 Compliance Program. On a monthly basis, the Manager of Nuclear Background Investigations or his designee shall conduct revalidation's of a sampling of completed background investigations for Nebraska Public Power District. This sampling shall be conducted in accordance with the criteria specified; a random sampling of 5% of all cases completed on a monthly basis. This audit consists of the re-verification of all elements contained in the final report. The control office audit staff will conduct telephonic or written communication inquires on that element of the investigation where the information was originally obtained by telephone interviews conducted by investigators. Elements verified by mail or fax will not be re-verified.

If any discrepancies are discovered during the revalidation process, Contractor shall immediately notify the Client Screening Supervisor by telephone.

The cases are selected to represent a uniform audit for each investigator and to provide an overall evaluation of each investigator's work performance.

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7.0 REFERENCES

- 7.1 Code of Federal Regulations; 10 CFR Part 26 - Fitness for Duty Programs.
- 7.2 Code of Federal Regulations, 10 CFR Parts 73.56 - 73.57 - Personnel Access Authorization Requirements for Nuclear Power Plants.
- 7.3 Nuclear Regulatory Commission - Regulatory Guide 5.66 - Access Authorization Program for Nuclear Power Plants.
- 7.4 NUMARC 91-03, Nuclear Power Plant Access Authorization Data Exchange Guidelines.
- 7.5 NUMARC 89.01, Industry Guidelines For Nuclear Power Plant Access Authorization Programs.
- 7.6 Code of Federal Regulations; 10 CFR Part 50.5 - Deliberate Misconduct.

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8.0 PROCEDURES/WORK PLAN

8.1 Previous Employment. An Investigation to determine previous employment for a period of five years preceding the date of the application, or since the age of 18, whichever is shorter, will be conducted. All identified employment exceeding thirty days in duration will be verified, including temporary employment and self-employment. Verification of self-employment is normally accomplished through review of records of licensing authorities, credit bureau records, mercantile credit reporting agencies, business registration agencies, known clients or customers, or by review of references who possess personal knowledge of the applicant's self-employment. If a person was employed by a firm that no longer exists, the former owners or listed supervisor will be contacted. If this is not feasible, the employment will be confirmed through interviews with references who possess personal knowledge of the individual and the individual's employment by the defunct firm. Employment in a foreign country will be verified by correspondence or by interviews of references in the United States who possess direct knowledge of such employment. Unemployment period exceeding thirty consecutive days will be verified through references, who possess direct knowledge of the person's activities during these periods.

This Verification will include:

- A. Date of verification.
- B. Complete dates of employment (unemployment).
- C. The individual's last job title.
- D. Name, phone number and job title of person contacted.
- E. Disciplinary history.
- F. Reason for termination.
- G. Eligibility for re-hire.
- H. Known criminal history.

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- I. Employer recommendation for employment at a nuclear power facility.
- J. Any other information that would adversely reflect upon the reliability and trustworthiness of the individual as it relates to the individual being permitted unescorted access.

8.2 Fitness For Duty. In addition, all employment leads will include suitable inquiry/fitness for duty questions. These questions will be asked of each employer. If the subject applied for unescorted access at any nuclear power plant, these questions will also be asked of the appropriate representative of each nuclear power plant.

HAS APPLICANT EVER:

1. Participated in a fitness for duty program or similar program?
2. Tested positive for drugs or used alcohol that resulted in on-duty impairment?
3. Been subject to a plan for treating substance abuse (except self-referral for treatment)?
4. Been removed from or made ineligible for activities due to a violation of a Fitness for Duty policy?
5. Been denied employment in accordance with a Fitness for Duty policy?
6. Been denied unescorted access at any other nuclear plant in accordance with Fitness for Duty policy?

8.3 Education. A verification of each applicant's educational history where education was the principal activity during the five year period will be conducted through a review of records at the reported schools attended. In addition, TWC will verify the highest level of claimed post high school attendance leading to a degree, regardless of time frame. Records shall include as a minimum, date of check, dates of attendance, highest level of attendance, reason for leaving and record of any disciplinary history. Correspondence schools will be verified if a degree or certificate relates to the applicant's present occupation.

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8.4 Character and Reputation. A reference check will be conducted and will include interviews of two (2) listed character references and two (2) developed references in an effort to establish the reliability and trustworthiness of the applicant. References are understood to mean persons who are significantly acquainted with the applicant being investigated to comment upon his or her activities and conduct through a certain period of time on the basis of personal association and observation. Listed references are persons who have been listed on the subject's application, or are supplied during subsequent contact. In cases where references provide adverse information or opinions concerning activities or conduct of the applicant, the reference will be asked to provide the names of other persons who are knowledgeable to the particular issue, and these persons will also be interviewed. In such cases, a significant number of persons will be interviewed to establish the matter beyond a reasonable doubt. Emphasis will be placed on:

- A. Identified psychological problems.
- B. Criminal History.
- C. Illegal use or possession of controlled substances.
- D. Abuse of alcohol or treatment for same.
- E. Susceptibility to coercion.
- F. Any other conduct relating to the individual's ability to discharge job duties in a reliable, trustworthy manner, within a nuclear facility.
- G. Abuse of prescription or over the counter drugs.
- H. A recommendation regarding the individual's employment at a nuclear facility.

In the event that information in any other element is not readily available, references may be utilized to corroborate such information.

8.5 Military Records. Verification of each applicant's military history will be conducted if the applicant served in the armed forces within the last five years. It is understood that appropriate release form (SF-180 request) will be supplied to TWC with each application. The request to the NPRC for military information shall be submitted and documented within ten (10) business days of receipt of the application by the contractor to conduct the investigation. If it becomes known that an individual's discharge is other than honorable, based solely on receipt of a U.S. Military Form DD 214 or other NPRC record, further investigation shall be made. For foreign military a good faith (best effort) attempt will be made and documented to verify any claimed military service for a foreign government. TWC shall track and document contact with NPRC at least once every one hundred and twenty (120) days.

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- 8.6 Verification of True Identity. Identity shall be verified through such means as photograph, social security number, date of birth, or comparison of the applicant's physical characteristics with employment, education and character references who have a personal acquaintance with the applicant. Verification shall be documented within the investigation report.
- 8.7 Credit History. Conduct a check of the individual's credit history for the previous five years through the use of an established credit bureau. If the credit history cannot be obtained by this check, personal credit references listed by the applicant or those developed shall be contacted to determine credit history.

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This document outlines the procedures to be completed by the administrative support staff and investigative staff at The Wackenhut Corporation (TWC) Pensacola, FL. Office

I. Word Processing Center (WPC) Procedures

- A. Personnel from the WPC (Word Processing Center) receive background (case) requests.
- B. If there is a problem with the transmission or documents received, immediate notification will be made to Ms. Becka Cox or Mr. George Harris, who will in turn take appropriate corrective action to resolve the problem.
- C. At this time, all necessary credits, motor vehicle history and/or social security checks will be requested. After the credit reports are received and posted, the case(s) will be taken directly to the Supervisor of Investigations, for completion of the investigation(s). It shall be noted on the front of the case file, the date the motor vehicle history was requested.
- D. WPC's primary responsibility is the typing of investigative reports. Cases are typed in the following priority:
  - 1. Typed Interim's
  - 2. Reinstate Clearances
  - 3. Update Clearances
  - 4. Full Clearances
  - 5. Corrections
- E. Newly received cases are processed in the following manner:
  - 1. All clearance requests are assigned a control (case) number and are manually logged into a case control log book.
  - 2. Clearance requests are then entered into a computer database tracking program.
  - 3. Each clearance, (defined in 1 and 2), is identified by a case number, social security number, date received and the TWC office conducting the background clearance.

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II. Supervisor Responsibilities

- A. Upon acceptance of any new cases (background requests) from WPC, the supervisor of nuclear backgrounds receives the cases. The supervisor then reviews the newly received cases for accuracy. The cases are then assigned to the investigative staff for the purpose of conducting the background investigation.
- B. Upon completion of the background investigation, the case is returned to the supervisor. The supervisor then reviews the case to insure its completeness, prior to forwarding the case to WPC for typing. The supervisor then manually records the date that the case was sent to WPC.
- C. The supervisor reviews each case file for problem sheets. The problem sheets are executed by the investigator conducting the investigation. When an apparent problem arises, delaying the completion of the background, the supervisor, when made aware of the problem by the investigator, will forward the problem sheet to the client. This is done as an effort to resolve the problem as well as removing the case from the contractually agreed upon completion time. The problem sheet must relate as to whether it was for the interim or full background; or a combination of both. Each problem sheet will be signed by the supervisor prior to being forwarded to the client.

III. Irregularities/Improprieties

- A. Any TWC investigator instructed to perform what could be considered irregularities/improprieties, shall immediately notify TWC Management.
- B. TWC procedure is to immediately notify any client of any irregularity/impropriety by telephone. Upon completion of telephone conversation, a written memo will be sent to Client (via facsimile transmission) for signature and confirmation of the action to be taken. Should an incident of irregularity/impropriety involve the TWC primary Client contact, notification will be made to his/her supervisor or manager.
- C. Should TWC Management deem that an unsatisfactory response was received by a Client contact, TWC Management will immediately notify senior Client site management of the reason TWC perceives the response to be unsatisfactory.

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- D. Should the nature of any irregularity/impropriety be considered a violation of the NRC rules/regulations, NRC will also be notified immediately by TWC management.

IV Supplement Clerk

- A. After WPC has sent a completed case to the client, the case file will be placed in the Supplemental Clerk's stack tray in the WPC. The Supplemental Clerk will review the case files and record any pending items within a supplemental log book. The Supplemental Clerk will indicate (by date) a suspense date for the next request or the closing of a pending item.
- B. The Supplemental Clerk/Investigator will cross reference the closed case file to determine if any supplemental documentation has been received. If needed, at this time, the Supplemental Clerk/Investigator will prepare the case file for the needed supplemental report. If not needed, the Supplemental Clerk will file the completed case file in the file room (record storage).
- C. The Supplemental Clerk will review the open supplement list daily; making new requests as required and close out supplements on the suspense date.
- D. The Supplemental Clerk will be responsible for typing supplemental reports. After supplement reports are sent, the Supplemental Clerk will file the completed case in the file room (record storage).

V. Investigator Responsibility

- A. Upon receipt of a newly assigned case by an investigator, the following procedures shall apply: The investigator will process the investigation in a thorough and timely manner. It is the sole responsibility of the investigator to ensure that all back-up documentation is completed and correctly filled out in black ink only. The case file is then certified through completion of the certification page. At no time will corrections to back-up documentation be accomplished through the use of white out. If a correction is to be made, the following method will be used: A single line will be placed through the incorrect information and the Investigator shall initial the line. It is the responsibility of the investigator to ensure that all back-up documentation is in correct order for typing. Prior to turning a completed case in to the supervisor, the investigator will review the case report for accuracy and completeness.

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- B. All TWC investigators will review and acknowledge that all nuclear background investigations are governed by the following: 10CFR (Code of Federal Regulations); 73.56; 73.57; 5.66; NUMARC 89.01; 91.03 and to include the applicability of their investigations as defined in 10CFR Part 50.5.

VI. Quality Assurance

- A. Q.A. (Quality Assurance) receives first draft typed reports from WPC for review.
- B. The QA review of each case file involves; comparison of typed report to Subject's PHQ (Personal History Questionnaire) as well as the back-up documentation, which has been compiled by investigator(s). The case file is then reviewed to ensure each case has been completed according to individual client requirements.
- C. If any discrepancies are discovered, the case file number and the name of the investigator is logged into the tracking book, the file is then returned to the investigator for corrections. Upon completion, the case is returned to QA.
- D. Quality Assurance, upon final review of each case file, will certify by signature as to the authenticity and accuracy of each clearance.
- E. The clearance is then returned to WPC, who in return, will forward the clearance to the respective Client.

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VII. Audit Clerk

- A. This individual is responsible for conducting contractually agreed upon self-auditing of all completed nuclear background investigations on a monthly basis.
- B. At the end of each month, the manager randomly selects a percentage of the cases that have been billed to the client. At this time, the audit clerk re-evaluates the authenticity of elements within the completed background investigations. This is normally conducted by of mail or by phone.
- C. Original verifications received by mail or facsimile transmission need not be re-evaluated
- D. Audited information that differs from that originally verified, is reported to Becka Cox or George Harris. This information is then reviewed and if warranted, further investigation pursues. Client is then notified by means of a typed revaluation (audit) report.

Original Code of Conduct	dated 09/04/94
Revision one (1)	dated 09/01/95
Revision two (2)	dated 12/15/95
Revision three (3)	dated 02/03/97



MEMORANDUM

TO: All Investigative Personnel June 17, 1996

FROM: George Harris  
Rebecca Cox

SUBJECT: Retention Of All Case Related Material

This memorandum (effective June 17, 1996) is provided to each member of the investigation section to reinforce the absolute need to retain in the investigative case file, ALL documents received from any service (Client) or initiated by any Wackenhut agency or employee. Those documents subsequently determined not to have a direct bearing on the completed investigation WILL BE placed face down on the right-hand side of the case folder. UNDER NO CIRCUMSTANCE will any such document be destroyed, changed or otherwise altered. Compliance with this requirement is absolutely mandatory and failure to comply will result in the most severe penalties. Clients do not have the right or authority to direct the removal, alteration or destruction of any document, to include those submitted by, or received from, that Client.


Acknowledged BY: \_\_\_\_\_

Date: \_\_\_\_\_



**TO:** George Harris  
Manager, Nuclear Background Investigations

**DATE:** 2/3/97

**FROM:** Michael A. Verrastro   
National Director, Investigations

**DIV/AREA:** WID

**SUBJECT:** NPPD Letter - December 6, 1995

With regard to the above captioned letter (Copy Attached), please ensure that all TWC nuclear background investigations staff are cognizant of the information contained in CFR Part 50.5 Deliberate Misconduct (Copy Attached).

Emphasis should be placed on the civil penalties for deliberate submission of materially inaccurate or incomplete information or for deliberately causing a licensee to be in violation of a regulation or procedure of the Nuclear Regulatory Commission (NRC).

Please ensure that the proper acknowledgment documentation is prepared for all appropriate files.