



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

JUL 25 1986

The Honorable John P. Murtha
United States House of Representatives
Washington, DC 20515

Dear Congressman Murtha:

I am pleased to respond to your letter of June 20, 1986, regarding information requested by your constituent, [REDACTED], in her letters dated June 10, 11 and 13, 1986. The information she is seeking concerns the Babcock and Wilcox Company (B&W) and its predecessor companies and their operations, licensed by the Nuclear Regulatory Commission (NRC) and the former Atomic Energy Commission (AEC), at facilities in Apollo and Parks Township, Pennsylvania. Efb

[REDACTED] letter of June 10, 1986 requests NRC records on the "Blue Building", which was formerly located in the southwest corner of the Apollo site. That building was decommissioned, decontaminated and razed during the spring of 1980. Observations of this work, by NRC inspectors, were documented in NRC Region I Inspection Report No. 70-135/80-12. That inspection report and other pertinent documents are being provided to you as Enclosure 1 to this letter. In addition, recent radiation surveys conducted in the Apollo site parking lot by an NRC contractor, Oak Ridge Associated Universities, indicated that no radiation levels above background were observed in that area of the parking lot where the Blue Building was located. Efb

[REDACTED] June 11, 1986 letter refers to my letter of May 12, 1986 to you that responded to an inquiry you received from [REDACTED] of Apollo, Pennsylvania. [REDACTED] had requested copies of a document which she identified as "Material Activity Summaries and Schedules." In her June 11 letter, [REDACTED] expressed her displeasure with our inability to provide the documents [REDACTED] requested. Further, she suggested that my May 12 letter to you contained misinformation concerning [REDACTED] inability to identify to us the documents [REDACTED] requested. I would like to assure you that no one lied to you or [REDACTED]. At the time of my May 12 letter to you, my staff could not identify any NRC documents with that title. However, the samples which [REDACTED] enclosed with her June 11 letter to you have enabled us to identify the documents. They are exhibits which were attached to some early (1973-1974) AEC/NRC-Region I Inspection Reports. The title of the documents was not an official AEC/NRC title and no one involved with our response recognized it. We have conducted a review of our records and find that there are only five such documents, in addition to those already in [REDACTED] possession, which may be released to the public. Those documents were appendices to NRC Region I Inspection Report 70-364/75-01 and are enclosed (Enclosure 2). Other Material Activity Summaries that we found in our records are classified Confidential-Restricted Data and, therefore, cannot be released. Efb

8608040029 860725
NMSS ADDCK 07000135
CF

E/4

Return to NMSS after
processed in DCS, per
your ticket.

James
Lynch

[redacted] also questioned whether the material unaccounted for (MUF) value shown on Exhibit A, that is attached to her June 11, 1986 letter, was evaluated by NRC. It was reviewed and evaluated during the next AEC inspection and the results were documented in Inspection Report No. 70-135/74-03. That report was provided to [redacted] by Mr. Roth of our Region I office during a November 21, 1985 meeting with her attended by several NRC representatives.

EF6

In her letter to you dated June 13, 1986, [redacted] enclosed an excerpt from an inspection report that included the following statement:

EF6

However, Oak Ridge records indicate that there are numerous transactions (some dating back to 1971) for which the AEC-741 has never been submitted. In letters dated March 2, May 31, and June 19, 1973, the licensee was supplied with lists of these open transactions and was requested to submit the necessary AEC-741's. This action had not been initiated as of February 1, 1974.

Among the documents supplied to [redacted] during the November 1985 meeting with NRC representatives was a letter to the AEC from B&W dated July 5, 1974, which states that all of the AEC-741 forms in question had been submitted to Oak Ridge prior to July 5, 1974, as required. This action was subsequently verified by AEC Region I inspectors and documented in Inspection Report No. 70-135/74-14.

EF6

Also in her June 13 letter, [redacted] questioned why the NRC/AEC "let the plant operate on ARCO's extended license"? The license to possess and use nuclear materials at the Apollo site was originally issued to the Nuclear Materials and Equipment Corporation (NUMEC). NUMEC was purchased by Atlantic Richfield (ARCO) in 1967 and by Babcock and Wilcox in 1972. B&W became the licensee in 1972, but the company retained the NUMEC name on the facility until 1974, when the license was amended to reflect the fact that the NUMEC facility had been made a division (rather than a subsidiary) of the Babcock and Wilcox Company. She also questioned why the NRC waited for B&W's contracts to be filled before actually renewing the license in 1978 and why the NRC let B&W operate an unsafe plant. We have attempted to explain to [redacted] in the past that many factors influence the process of renewing a license. However, the status of a licensee's contracts is neither known by the NRC nor considered in the renewal process. Additionally, I would like to reiterate my previous statement that the NRC would not license an unsafe plant. And, if unsafe practices are identified at a licensed facility, our inspectors have been instructed to assure that those unsafe practices are discontinued before they leave the site.

EF6

The Honorable John P. Murtha

3

Finally, [redacted] requested copies of all the AEC-741 and DOE/NRC-741 forms prepared by B&W. Because of the large volume of forms involved (several thousand), and the fact the information on the forms is entered into a computer system, I suggest that [redacted] contact Mr. George W. McCorkle, of my staff, at (301) 427-4018 and define the particular information she is seeking from the forms. To the extent that information is not precluded from public disclosure, we will attempt to provide it to her. e/f

If you have further questions on these matters, please let us know.

Sincerely,

Victor Stello, Jr.
Executive Director
for Operations

Enclosures:

1. NRC Region I Inspection Report No. 70-135/80-12 and responses
2. Exhibits I-V to NRC Region I Inspection Report No. 70-135/75-01

Distribution:

V. Stello
 J. Roe
 T. Rehm
 OCA
 SECY 86-631
 EDO1869
 T. Murley, RI
 J. Davis, NMSS

FC

RECunningham*

07/22/86

*See previous concurrence

OFC	:RI	: EDD	:		:		:	
NAME	:TMurley	:VStello	:		:		:	
DATE	:7/ /86	:7/22/86	:		:		:	

OFFICIAL RECORD COPY

The Honorable John P. Murtha

Finally, ██████████ requested copies of all the AEC-741 and DOE/NRC-741 forms prepared by B&W. Because of the large volume of forms involved (several thousand), and the fact the information on the forms is entered into a computer system, I suggest that ██████████ contact Mr. William Crow, of my staff, at (301) 427-4100 and define the particular information she is seeking from the forms. To the extent that information is not precluded from public disclosure, we will attempt to provide it to her.

Efb

If you have further questions on these matters, please let us know.

Sincerely,

Victor Stello, Jr.
Executive Director
for Operations

Enclosures:

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OFC	:RI	:EDO	:	:	:	:
NAME	:TMurley	:VStello	:	:	:	:
DATE	:7/ /86	:7/ /86	:	:	:	:

Congress of the United States
House of Representatives
Washington, D.C. 20515

June 20, 1986

Dear Sir:

The attached communication from my constituent is submitted for your earnest consideration.

Please investigate the statements contained therein and forward to me information on which I may base a proper reply.

Your early action and advice will be appreciated.

With every good wish,

Sincerely,



JOHN P. MURTHA
Member of Congress

Please reply to ATTN: KEITH BARRITT

8608050009 860620
CF ADDCK 07000135
CF

The Honorable John P. Murtha
House of Representatives
Washington, DC, 20515

Dear Congressman Murtha:

I'm writing in response to statements made by Mr. Victor Stello (NRC) in a letter to you dated May 12, 1986.

I'm concerned over his statements on page 2. He stated that NRC's regulations require licensees to complete material management and safeguards system at Oak Ridge, Tennessee. He went on to say, while we have not reviewed the historical record to determine, if possible, that all such forms were submitted as required, we have no basis to believe that NUMEC/HAW did not comply.

I would like you to inform Mr. Stello that I have enclosed for your review documentation that will now give the proper agency the basis for such a review.

The enclosed documents were give to me by W.T. Crow and Jerry Roth (NRC) at the Governor's 1985 meeting. I can't understand why they would give me documents that contain such incriminating information. Do you suppose they are trying to tell me something is wrong?

W.T. Crow should know since he was the manager of NRC from 1969-1973. The document states, among other things, that on 2/15/71 - records indicate that there were numerous transactions (some dating back to 1971) for which the ARC-741 has never been submitted.

I suggest that this be investigated.

I have to say that I don't have much faith in concluding much help from the Stello, especially after what has been printed in the newspaper about the history of the plant. I also saw him of television and I couldn't believe it when he said the NRC is never involved in nuclear facility. Is that why they let the plant operate on ARCO's expanded license? Is that why they let the plant operate to be filled before actually comply with their license in 1978? Why did they let NRC operate an inactive plant? You, we have done our homework, and have found all the facts. I just feel the response to be something.

I will appreciate a copy of all the ARC-741 and NRC/ARC-741 forms.

June 13, 1986

1555 JUN 13 PM 11:06

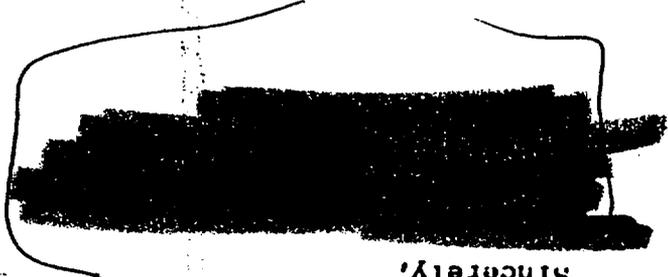
2/3

[Redacted]

[Redacted]

2/3

9/3



Sincerely,

Could you have them sent to me immediately?

I spoke to Jerry Roth at Region 1, I asked him if he had them, he had me wait on the phone while he went searching, I returned to say at that time he could not locate them. I asked him if it would be easier if I wrote a letter and requested the documents. He said yes, that would be the cleanest way to do it.

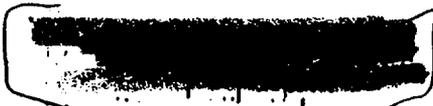
I would appreciate it if you could obtain the records on the blue building as soon as you can for me.

The conditions of Apollo are very disturbed over the recent finding, especially when their children have played so close to this area. The people who shop and drive past this area daily and were never told about this. Homes are very close to this plant. The Apollo businessmen will surely suffer from the present, and future operation of this plant.

I have enclosed a recent article that appeared in the Tribune and also enclosed is a section that I have taken from an IRO inspection report of the Apollo plant.

John P. Murtha

The Honorable John P. Murtha
U.S. House of Representatives
Washington, DC 20515



July 10, 1986

John P. Murtha

"Blue" Building

The inspector observed that the licensee was in the process of decommissioning the "Blue" Building as described in a letter to NRC-NMSS dated March 26, 1980. This building is located near the southwest corner of the Apollo site. The inspector observed that the building had been cleaned out of equipment and that the licensee had started to decontaminate the concrete floor.

According to licensee representatives, once the building and floor has been decontaminated, the floor will be broken up and allowed to fall into the basement. Then, the walls and roof of the building will be razed and allowed to fall into the basement. The hole will then be covered with dirt. Any portions of the building or floor which were found to be contaminated in excess of release limits for unrestricted use, would be properly packaged and transported to a burial site. According to licensee representatives, records will be maintained to indicate what material was buried in place and the contamination level of the materials buried (i.e., if the contamination level was found to be zero or background, it would be so indicated in the record).

Seeking answers

Sunday, June 8, 1986

The Pittsburgh Press

Apollo to ask NRC for data on toxic testing at L

By Joe Sterling

The Pittsburgh Press

Apollo Council wants to know whether federal officials have found radioactivity in areas surrounding Babcock & Wilcox Co.'s plant in the borough.

Council voted Monday to send a letter to the federal Nuclear Regulatory Commission asking the agency for off-site testing records, as well as the results of a study that detected radioactive "hot spots" recently in a parking lot at the plant.

Council will send a copy of the request to U.S. Rep. John Murtha, D-Johnstown, and will ask for his assistance in obtaining the information.

The move came after coalition member Cindee Virostek expressed fears about the existence of 15 radioactive "hot spots" in a dirt parking lot.

B&W learned late last month that a team from Oak Ridge (Tenn.) Associated Universities found 15 contaminated areas that exceed the NRC's acceptable level. The team found soil contaminated with Uranium-235 and Uranium-238 during a radiological survey April 30 and May 1.

The NRC requested the evaluation as part of a re-licensing procedure at the Apollo plant. The plant's license is set to expire Sept. 30.

Mrs. Virostek told council that the existence of the hot spots at the Apollo plant means that other areas at and around the site could be contaminated.

"It doesn't make you feel too safe, being that my children ride on the school bus in front of the plant," Mrs. Virostek said.

Mrs. Virostek disputed a statement made by a B&W official that the company does not know how the



Kent Badger/The Pittsburgh Press

Workmen dig up radioactive material from the parking lot of Babcock & Wilcox to put in adjacent bin for disposal.

building on its Apollo site in 1980.

Roth, contacted later, said a portion of the building had been buried, but that "anything contaminated was cleaned up, packaged and sent to an approved burial site."

"That which was left was taken down and thrown into a basement foundation which was then cov-

ered both by B&W and by me. There is no indication of contamination on the surface where the blue building is located."

Mrs. Virostek claimed that the hot spots may have resulted from the buried building, a sewer line break within the plant, radioactive emissions from the plant into the air, or a

"Absolutely, without question, none of the above," B&W spokesman Joe Cepicka said.

He said the NRC is making the Oak Ridge study available to the public.

The cleanup began shortly after Oak Ridge submitted its findings to the company May 29. The operation

debris, including brick, fragments and slag. The southwest corner of the

Cepicka said that radionuclides have been found below the surface and "pose no impending threat to the health and safety of B&W employees or the public."

The waste probably will be taken to a federally licensed, low-level radioactive dump in Barnwell, S.C., because it is the closest available site, Cepicka said.

The Oak Ridge team's readings for the hot spots ranged from 3.4 picocuries per gram to levels just over the NRC's acceptable limit, 30 picocuries per gram. A curie is a measure of radioactivity.

The 3,459-picocurie reading, however, has not been verified by B&W.

"We went to identify grid locations when we started the cleanup work and we have not been able to get readings at that level at all," Cepicka said.

Oak Ridge also found readings of 625, 644 and 848 picocuries, with a couple of readings in the 100- to 200- and 300-picocurie range and a couple just over the NRC's acceptable limit.

The company has sent "clean" soil samples to a lab to ensure that soil outside the contaminated areas does not exceed the NRC's acceptable limit for radioactivity.

Meanwhile, Apollo Mayor James Hutchison and members of the Kiskadee Valley Coalition to Save Our Children plan to meet with state legislators and representatives of the state Department of Environmental Resources to discuss the group's concerns about B&W's plants in Apollo and Parks.

The group plans to meet Wednesday in Harrisburg with the DER and state Reps. Henry Livengood, John Ford City, and Joseph Petrarca, Joseph Vandergriff, and state Sen. Paul

[REDACTED]

Eff

June 11, 1986

1986 JUN 17 11 5 16

John P. Murtha
United States House of Representatives
Washington, DC 20515

Dear Congressman Murtha:

I recently read a May 12, 1986 letter that Mr. Victor Stello (NRC) wrote to you which was written in response to [REDACTED] April 14, 1986 letter.

[REDACTED] Eff

I was very disturbed by the NRC's comments. Especially when they said I could not identify the documents [REDACTED] requested.

Eff

I have enclosed for you a telephone conversation between myself and Mr. W.T. Crow concerning the "Material Activity Summaries & Schedules". I would like for you to read it and find out why and who told such a lie.

I also have enclosed a copy of the "MATERIAL ACTIVITY SCHEDULES and SUMMARIES". I would like to make it clear that since we very well can identify the requested documents we now would like "ALL OF THEM".

Would you please inform the NRC that we have identified the documents and have the others sent to either myself or [REDACTED]

I still can't get over the fact that he said I could not identify those documents! I would like an explanation.

Thank you for your time,

[REDACTED]

Eff

11-11-86

Telephone conversation between W.T. Crow (NRC) and [REDACTED] sometime in April. 46

W.T. Crow called me and told me he had telephoned [REDACTED]. He called her and asked her to identify material that she requested. [REDACTED] had written to Congressman John Murtha and requested his help in obtaining documents she identified as "Material Activity Summaries and Schedules". [REDACTED] told W.T. Crow to contact me, because I had the documents and would be able to identify the documents she requested. 46

After explaining to me why he called me, he asked me how did I know about "Material Activity Summaries and Schedules"? I explained, that I could identify the material if he would wait on the line while I went to search through all of the documents I had collected. He agreed to wait on the line.

Since I have collected about a MILLION documents which are kept in different areas of my home, and sometimes several are out to be copied (I always make 3 copies of everything), I knew this search was not going to be easy, especially when he was calling long distance with the taxpayers footing the bill. I returned to the phone and told him I could call him back or he could call me back later. He didn't seem to care for that idea. I then told him I couldn't understand why he couldn't identify these documents, because they (NRC) were the ones who gave them to me at the meeting we had November 21, 1985.

He seemed a little upset when I said that, his response was, "You mean Jerry (ROTH) gave them to you?". I told him yes Jerry (Roth) gave me a lot of documents and in one stack there were some of the "Material Activity Summaries and Schedules". I told him they were in a stack dated June 1974. I asked him if he thought I had something I shouldn't have? He asked me if it had classified written on it? I said no, but it did have "FOR OFFICIAL USE ONLY" written on it. He seemed confused as to why Jerry would give me those. I said to him, maybe he wanted me to have them. I told him to call Jerry Roth and ask him to identify the document since I couldn't find it at that time, and if Jerry couldn't identify it he was to call me back, by then I would have found it. He agreed. When I didn't hear from W.T. Crow I assumed Jerry identified the document.

EXHIBIT A

NUMEC - LEECHBURG

Material Activity Summary
Low Enriched Uranium
Period of 1/1/73 - 12/31/73

RIS:YKH

	<u>U</u>	<u>Grams</u> <u>U-235</u>
Beginning Balance	17,910,467	390,398
Receipts	<u>340,710,368</u>	<u>8,536,181</u>
Material to Account For	358,620,835	8,926,579
Shipments	263,804,176	6,444,928
✓ Discards	-0-	-0-
✓ MUF	* <u>4,870,116</u>	<u>126,348</u>
Ending Inventory Private Owned 12/31/73	89,946,543	2,355,303
Total Accounted For	358,620,835	8,926,579

* This MUF to be evaluated at the next inspection.

Was it?

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EXHIBIT B

NUMEC - LEECHBURG

Material Activity Summary
Plutonium Facility
Period of 4/5/73 - 12/31/73

RIS:YKH

Plutonium

	<u>Element</u>	<u>Isotope</u>
		<u>GRAMS</u>
Beginning Balance	180,716	159,095
Receipts	<u>238,917</u>	<u>210,354</u>
Material to Account For	419,633	369,449
Shipments	120,458	105,960
Discards	1,107	975
MUF	<u>1,033</u>	<u>627</u>
Ending Inventory 12/31/73	297,035	261,887
Total Accounted For	419,633	369,449

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EXHIBIT C

NUMEC - LEECHBURG

Material Activity Summary
Plutonium Facility
Period of 4/5/73 - 12/31/73

RIS:YKH

Plutonium

	<u>AEC OWNED</u>	
	<u>Element</u>	<u>Isotope</u>
Beginning Balance	485	442
Receipts	<u>8</u>	<u>8</u>
Material to Account For	493	450
Shipments	128	117
✓ Discards	30	27
✓ MUF	<u>(351)</u>	<u>(295)</u>
Ending Inventory 12/31/73	686	601
Total Accounted For	493	450

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EXHIBIT D

NUMEC - LEECHBURG

Material Activity Summary
Plutonium Facility
Period of 4/5/73 - 12/31/73

RIS:YKH

	<u>Plutonium</u>	
	<u>Element</u>	<u>Private Owned</u> <u>GRAMS</u>
Beginning Balance	17,582	13,793
Receipts	<u>-0-</u>	<u>-0-</u>
Material to Account For	17,582	13,793
Shipments	16,804	13,158
Discards	62	49
MUF	<u>716</u>	<u>586</u>
Ending Inventory 12/31/73	-0-	-0-
Total Accounted For	17,582	13,793

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~~FOR OFFICIAL USE ONLY~~

Material Activity Schedule

Calendar Year 1973

RIS-ZQN

Privately Owned Material

	<u>U</u>	<u>Grams</u>
Beginning Inventory 1/1/73	119,306,048	U-235 2,858,200
Receipts	625,157,427	15,453,803
Shipments	717,184,496	17,686,017
Measured Discards	700,497	17,811
MUF	(1,832,872)	(59,959)
Ending Inventory 12/31/73	28,411,354	668,134

MUF 4037 1b
↑

Exhibit I

~~FOR OFFICIAL USE ONLY~~

Material Activity Schedule

**Calendar Year 1973
RIS-ZQN**

AEC OWNED MATERIAL

	<u>U</u>	<u>Grams</u> <u>U-235</u>
Beginning Inventory 1/1/73	1,662,729	1,431,265
Receipts	1,468,912	1,379,704
Shipments	2,354,094	2,091,326
✓ Measured Discards	170,763	9,396
✓ MUF	(151,060)	(5,498)
✓ Accidental Loss(1)	18	18
Ending Inventory 12/31/73	757,826	715,727

(1) Due to line break on UF₆ Samples

Exhibit II

FOR OFFICIAL USE ONLY

Material Activity Schedule

Calendar Year 1973

RIS-FAP

AEC OWNED MATERIAL

	<u>U</u>	<u>Grams</u>
		<u>U-235</u>
Beginning Inventory 1/1/73	177	9
Receipts	765	72
Shipments	0	0
✓ Measured Discards	0	0
✓ MUF	618	44
Ending Inventory 12/31/73	324	37

Exhibit III

FOR OFFICIAL USE ONLY

EXHIBIT E

NUMEC - LEECHBURG

Material Activity Summary
Plutonium Facility
Period of 1/1/73 - 12/31/73

RIS:YKH

Plutonium-238

Private Owned

GRAMS 1/10

	<u>Pu</u>	<u>Pu-238</u>
Beginning Balance	6.0	4.8
Receipts	<u>72.5</u>	<u>66.1</u>
Material to Account For	78.5	69.9
Shipments	48.3	43.9
Discards	-0-	-0-
MUF	<u>-0-</u>	<u>-0-</u>
Ending Inventory 12/31/73	30.2	26.0
Total Accounted For	78.5	69.9

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why is
license still
in NUMEC'S
name?

failure to submit them on time. The reports are now being prepared and submitted on time, however the following areas require improvement in order to meet the intent of the license conditions.

- (1) Discards are listed by NUMEC job numbers. The listings often contain as many as twenty entries with no totals being given and job number being listed more than once.
- (2) The nature of the discards is not consistently reported. For example, solid discards are sometimes reported only as solid wastes and other times as bagged waste buried at Morehead, Kentucky.
- (3) The Nuclear Materials Control Procedures Manual contains a statement that these reports to NUMEC management be used to monitor, by job, losses in relation to receipts and that the Manager of NMC investigate those cases where losses exceed a set proportion of receipts. The format of these reports is not compatible to this procedure and there is no evidence that such a control procedure is being carried out.

11. License Condition 8 - Management of Materials Control System

The internal review of nuclear materials control procedures required by 8.1 was conducted on September 11-13, 1973 by Nuclear Materials Control personnel from the parent Babcock and Wilcox organization at Leechburg, VA. The B & W audit report was submitted to NUMEC on September 28 and required a thirty day response which was prepared and submitted. The scope and format of the audit was similar to those performed by this office and the findings were similar to those found in inspection reports. The letter forwarding the audit report contained provisions for a second review in six months (about March 74) if necessary.

License Condition 8.2 requires that the licensee prepare estimates of SNM losses between inventories. In May 1973, the licensee was cited for failure to prepare such an estimate. A loss estimate for the period July 1, 1973 - December 31, 1973 was prepared on August 14, 1973, however, the licensee program in support of this license condition remains weak. The MUF and measured discard estimates are much too large to be of any control use to management. For example, the estimate of discards of U-235 for the six month period shows 24,200 grams. Actual discharges, as reported on the Material Status Report, for this period were only 12,900 grams.

12. 10 CFR 70.54 - Nuclear Material Transaction Reports

The licensee was first cited for deficiencies in their administration of AEC-741 transfer documents in May 1973. Since that time, their program for executing the documents on current trans-

actions has improved. However, Oak Ridge records indicate that there are numerous transactions (some dating back to 1971) for which the AEC-741 has never been submitted. In letters dated March 2, May 31, and June 19, 1973, the licensee was supplied with lists of these open transactions and was requested to submit the necessary AEC-741's. This action had not been initiated as of February 1, 1974.

13. Records Audit and Material Activity Schedule

An Audit of AEC-741 transfer documents, AEC-742 Material Status Reports and NUREC discard reports was conducted for all activity during calendar year 1973. The Oak Ridge NMIS report was used as a checklist to audit transfer numbers which were then traced through the licensee's MBA Ledgers, Transfer Journal, and General Ledger. This audit discovered the following errors in the licensee records:

- a. The following receipts of SNM were not entered into plant records:

<u>Transaction</u>	<u>Date</u>	<u>Grams U</u>	<u>Enr%</u>	<u>Grams U-235</u>
YNJ-ZON-22	9/18/73	270,671	2%	5,457
YKH-ZON-243	11/21/73	9,697		9,470
YKH-ZON-246	11/23/74	2,154		2,104

- b. The MUF resulting from the July 3, 1973 physical inventory was improperly determined and entered into the records because of an error in comparing book inventory to physical inventory. This error resulted in an understatement of MUF by 53,491 grams U and 1,501 grams U-235.

Based upon the audit, material activity schedules (Exhibit I-III) were prepared. The following comments pertain to these schedules:

- a. As stated earlier, the licensee is in violation of its license in that receipt measurements are not made and booked for all receipts of SNM. Exhibit I is based on booked values of receipts. Except for receipts of scrap, these are generally shipper's values.
- b. The records errors cited above were corrected by the licensee during the inspection. Preliminary copies of the Material Status Reports for December 31, 1973 were returned to the licensee so that they could be corrected as well. The licensee's Material Status Reports now agree with Exhibits I - III.
- c. The exhibits and the MSR's do not include the measured discards of liquid effluent during December 1973. These values were determined and booked during January 1974.

Did they?

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BY MR. CROW:

Yes. They have a material transfer form which is called a 741 or 742, that they have to fill out. All of this information goes into the computer at Oak Ridge.

BY DR. JOHNSRUD:

So this would be Oak Ridge based information rather than..

BY MR. CROW:

All of the transfer information goes into the computer at Oak Ridge. It has been that way since the computer was initiated. That's how we keep track of the transfer of all the materials.

BY DR. JOHNSRUD:

And did the earlier licensees besides B & W have facilities in addition to the premises of the Parks Township, Apollo, and Quehanna plants or were those the only three?

BY MR. CROW:

The Babcock and Wilcox?

BY DR. JOHNSRUD:

No, prior to B & W.

BY MR. CROW:

I really don't know.

BY DR. JOHNSRUD:

FORM OR-325 REPORTERS PAPER & MFG CO 800 528-6313

They also Gave me a lot of Documents.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

ACTION

EDO PRINCIPAL CORRESPONDENCE CONTROL

FROM:
REP. JOHN P. MURTHA

DUE: 07/15/86

EDO CONTROL: 001869
DOC DT: 06/20/86
FINAL REPLY:

TO:
NRC

FOR SIGNATURE OF:
EXECUTIVE DIRECTOR

XX GREEN XX

SECY NO: 86-631

DESC:

ENCLOSES LETTER FROM [REDACTED] RE B&W

ROUTING:
MURLEY

DATE: 06/24/86 *RI*
ASSIGNED TO: *NH99*

Murley
CONTACT: *DAVIS*

SPECIAL INSTRUCTIONS OR REMARKS:

REF. EDO 1663
MARK ENVELOPE ATTN: KEITH BARRITT.

~~XXXXXXXXXX~~
Crow

FC Action
Due to NMSS Director's Office
By 7/10/86
mid 6/25/86

