

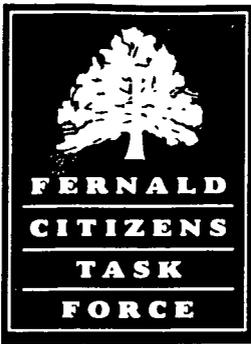
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FERNALD CITIZENS TASK FORCE ROUTINE MAILING

06/14/96

APPLEGATE TASK FORCE
50
CORRESPOND



FRIDAY MAILING

6/14/96

INCLUDED IN THIS MAILING ARE:

- Fernald Monthly Progress Summary
- Committee Updates
- Amended and accepted Ground Rules
- DOE's response to the *Cincinnati Enquirer*
- DOE Audit of Work Force Restructuring at the Fernald Environmental Management Project
- Notice and Schedule of Belarussian Trip to Fernald
- Map of Site Rail Line
- FERMC0 statements regarding Accelerated Cleanup, Property Management, and Silo 4 Superstructure Test Project

ANNOUNCEMENTS:

- New Additions to the Task Force Library:**
 - Oak Ridge SSAB Recommendations to DOE on Draft Prioritization of FY 98 Environmental Management Projects
 - I-94 PEIS Implementation Plan
 - Fernald Sites Reports (1992 and 1993)
 - Baseline Environmental Management Report, FY 95 (Revision 1)
 - Life Cycle Cost Estimate -- Environmental Restoration (Revision 1)
 - DOE 1992 Implementation Plan
 - The Superfund Process: Site Level Experience*, Univ. of Tennessee Study 1991
 - Nevada Test Site Draft Treatment Plan July 1994
 - DOE Draft Environmental Impact Statement Summary, June 1994
 - Transcript of DOE-EM-PEIS Risk Assessment Model Review Workshop, Rockville, MD 11/93

QUESTIONS:

- Please call John [redacted] or Doug [redacted] with questions or concerns.

FERNALD MONTHLY PROGRESS SUMMARY

The following represents a summary of major accomplishments at Fernald by Operable Unit. Please contact Terry Hagen at 513-648-5261 or Tisha Patton at 513-648-5277 for any additional information.

OPERABLE UNIT 1

May 1996

- Enforceable Milestones
 - None

- Major Work Initiated/Completed
 - Initiated response to agency comments on Pre-Final Design Packages
 - Continued site preparation (i.e. erosion control, topsoil removal) for remedial facilities
 - Work ongoing for Alternative Remedial Action Subcontracting Approach (ARASA) Subcontractor Statement of Work (SOW)

June 1996 (Anticipated)

- Enforceable Milestones
 - Submit response to agency comments on Pre-Final Design Packages

- Major Work to be Initiated/Completed
 - Complete ARASA SOW
 - Continue various site preparation activities

OPERABLE UNIT 2

May 1996

- Enforceable Milestones
 - Submitted Preliminary Design Package for Waste Unit Remediation to Agencies on May 18, 1996
 - Submitted Pre-Final Design Package for Haul Road to Agencies on May 29, 1996
 - Submitted Draft Remediation Action Work Plan (RAWP) for Haul Road to Agencies on May 29, 1996

- Major Work Initiated/Completed
 - Pre-Design Field Investigation completed on May 29, 1996
 - Site Preparation for On-Site Disposal Facility (OSDF) Test Pad initiated

June 1996

- Enforceable Milestones
 - Submit Pre-Final Design Package for OSDF to Agencies
 - Submit Final RAWP for OSDF

- Major Work to be Initiated/Completed
 - Construction and monitoring of Test Pad will continue

000002

OPERABLE UNIT 3

May 1996

- Enforceable Milestones
 - None

- Major Work Initiated/Completed
 - RI/FS Proposed Plan
 - Public Comment Period ended on May 2, 1996
 - Comments are being evaluated and the Draft Record of Decision (ROD) and Responsiveness Summary are being prepared
 - Safe Shutdown ongoing in Pilot Plant and Plant 5
 - D&D ongoing in Plant 4 and Plant 1
 - Provided Revised Schedule for Submittal of Implementation Plans to Agencies on May 17, 1996

June 1996 (Anticipated)

- Enforceable Milestones
 - Submit to Agencies an Annual Update on Removal Action No. 9 (Removal of Waste Inventories)
 - Submit OU3 ROD to DOE

- Major Work to be Initiated/Completed
 - Continue D&D activities in Plant 4 and Plant 1
 - Continue Safe Shutdown in Plant 5 and Plant 2-3
 - Complete Safe Shutdown in the Pilot Plant

OPERABLE UNIT 4

May 1996

- Enforceable Milestones
 - Submitted Silo Superstructure Pre-Final Design to Agencies on May 2, 1996

- Major Work Initiated/Completed
 - Vitrification Pilot Plant Phase I Readiness Assessment completed on May 17, 1996
 - Vitrification Pilot Plan Melter Bakeout initiated on May 18, 1996

June 1996 (Anticipated)

- Enforceable Milestones
 - None

- Major Work to be Initiated/Completed
 - Initiate Campaign I of the Vitrification Pilot Plant Phase I Operations

OPERABLE UNIT 5

May 1996

- Enforceable Milestones
 - Draft Remedial Design Work Plan submitted to Agencies on May 1, 1996

- Major Work Initiated/Completed
 - Contractor mobilized for Advanced Waste Water Treatment (AWWT) System Multi-Media Filter Project
 - AWWT Dewatering Facility construction continues

June 1996 (Anticipated)

- Enforceable Milestones
 - Submit Draft Integrated Environmental Monitoring Plan to Agencies
 - Submit Draft Area 1 - Phase 1 RAWP to Agencies
- Major Work to be Initiated/Completed
 - Initiate Facility Startup for AWWT Dewatering Facility
 - Continue construction on AWWT Multi-Media Filter Project

WASTE PROGRAMS MANAGEMENT

May 1996

- Enforceable Milestones
 - None
- Major Work Initiated/Completed
 - 545m³ of Low Level Waste shipped to the Nevada Test Site
 - Liquid Mixed Waste Project
 - 85.4m³ of liquid mixed waste bulked in preparation for shipment to the TSCA Incinerator
 - 34.0m³ of liquid mixed waste shipped to the TSCA Incinerator
 - 0.8m³ of liquid mixed waste treated in the FEMP Wastewater Treatment System
 - Chemical Treatment Project
 - 1.2m³ treated in the Decontamination Project
 - General CERCLA Workplan for Chemical Treatment was revised to incorporate comments

June 1996 (Anticipated)

- Enforceable Milestones
 - None
- Major Work to be Initiated/Completed
 - Submit Revised General CERCLA Workplan for the Chemical Treatment Project to Agencies
 - Develop Workplan for Treatment of Barium Chloride (a technology-specific Workplan under the Chemical Treatment Project)
 - 3 Shipments of Liquid Mixed Waste to the TSCA Incinerator are planned

000004



MONITORING COMMITTEE

UPDATE - JUNE 8, 1996

KEY AREAS OF INVOLVEMENT

- Integrated Environmental Monitoring Plan (IEMP)
- Project monitoring and completion criteria

RECENT ACTIVITIES

- Discussed status of IEMP and project monitoring programs

UPCOMING ACTIVITIES

- Review draft IEMP
- Review list of contaminants of concern to identify most important

MEETINGS PLANNED

- Late June meeting to discuss contaminants of concern
- July 17 meeting to review draft IEMP



NATURAL RESOURCES COMMITTEE

UPDATE - JUNE 8, 1996

**KEY AREAS OF
INVOLVEMENT**

- Input to the Natural Resources Trustee process
- Restoration and protection of natural resources on site
- Protection of cultural resources on site
- Site-wide grading plan

**RECENT
ACTIVITIES**

- Presented natural resource priorities to DOE.
- Discussed preliminary plans for site-wide grading in conjunction with Waste Management committee. Identified concerns to DOE/FERMCO and identified continuing role for the Task Force in evaluating this issue.

**UPCOMING
ACTIVITIES**

- Review draft of site-wide excavation plan before October final report.
- Review of Natural Resource Trustees proposal when available.

**MEETINGS
PLANNED**

- September meeting date TBD to evaluate site-wide excavation plan.



TRANSPORTATION COMMITTEE

UPDATE - JUNE 8, 1996

**KEY AREAS OF
INVOLVEMENT**

- Highway safety
- Off-site disposal facilities
- Rail activities

**RECENT
ACTIVITIES**

- Review UC Baseline Traffic Study
- Review train routes and on site train activities

**UPCOMING
ACTIVITIES**

- Truck activities related to on-site disposal cell construction

**MEETINGS
PLANNED**

- None scheduled at this time



WASTE MANAGEMENT COMMITTEE

UPDATE - JUNE 8, 1996

KEY AREAS OF INVOLVEMENT

- Review on-site disposal facility design
- Site-wide grading plan
- Recycling and reuse of materials
- Other on-site waste handling and disposal issues as relevant

RECENT ACTIVITIES

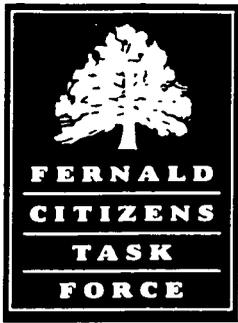
- Discussed preliminary plans for site-wide grading in conjunction with Natural Resources committee. Identified concerns to DOE/FERMCO and identified continuing role for the Task Force in evaluating this issue.
- Reviewed 60% design of on-site disposal facility. Found the design to be consistent with Task Force recommendations and expectations from the 30% design reviewed in February.

UPCOMING ACTIVITIES

- Review draft of site-wide grading plan before October final report
- Review site recycling and reuse plans

MEETINGS PLANNED

- September meeting date TBD to evaluate site-wide grading plan



GROUND RULES

■ TASK FORCE OPERATIONS

1. The affairs of the Task Force will be conducted according to its Charter, and these Ground Rules. In case of conflicts, the Charter is controlling.

■ MEMBERSHIP

1. *Personal membership.* While the membership of the Task Force is intended to represent a variety of stakeholders in the Fernald restoration, membership in the Task Force is personal and not representative. Members may not vote by proxy, and attendance and other requirements of membership cannot be satisfied by substitutes.

2. *Attendance.* Attendance at regular and special meetings is required of members of the Task Force. Except for emergencies or other compelling circumstances (as determined by the Chair), a member who, without excuse, misses either two consecutive meetings or three meetings over a twelve-month period beginning with the first unexcused absence, shall be deemed to have resigned.

3. *New members.* The Task Force shall continuously attempt to identify stakeholders not represented on the Task Force. The Task Force shall recommend to U.S. DOE's Assistant Secretary of Environmental Restoration and Waste Management the appointment of new members or alternate members as necessary. The Chair of the Task Force may appoint a committee to find and interview candidates for membership.

4. *Ex officio.* In some cases, parties from the public and private sector that are directly involved in or affected by site cleanup activities could be added as ex-officio (non-voting) members at the discretion of the Task Force.

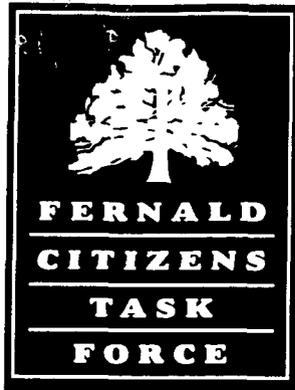
■ MEETINGS

1. *Regular and special meetings.* The Task Force intends to hold regular meetings. The chair of the Task Force will schedule meetings and may schedule additional special meetings with notice to all members.

2. *Notice.* Except in emergencies, the chair shall give notice of special meetings by mail or by telephone at least seven days in advance. Notice shall include the time, place, and subject of the meeting.

3. *Agenda.* An agenda for regular meetings shall be provided to all members in advance of the meeting. The agenda shall include at least the time and place of the meeting, the topics to be covered, identification of relevant documents, and the times and places of non-Task Force meetings of importance.

4. *Public participation.* The public shall be informed of the time, place, and subject of all public meetings of the Task Force, and the public shall have an opportunity to participate in public meetings, in the manner deemed most appropriate by the chair or by the Task Force.



! - 7693

MEMORANDUM

TO: Fernald Citizens Task Force Members
FROM: Doug Sarno
SUBJECT: DOE Response
DATE: 6/14/96

For your information, attached are several one page summaries that DOE has prepared in response to allegations from *The Cincinnati Enquirer*. We will continue to send these summaries as they are prepared in the future.

000010

April 17, 1996

TOPIC: DRAINAGE DITCH SUMP PROJECT

The Cincinnati Enquirer is questioning aspects of a Drainage Ditch Sump Project being implemented at Fernald to reduce surface water contaminant discharges to Paddy's Run Creek.

BACKGROUND:

- DOE and FERMCO have been working with state and federal regulators to determine the best way to remediate contamination sources at Fernald. In January 1996, DOE and U.S. EPA signed a Record of Decision for Operable Unit 5 that identifies the remedial actions necessary to achieve this objective.
- A Drainage Ditch Sump Project has been implemented voluntarily as an interim cleanup action. The Final Record of Decision for Operable Unit 5 addresses the long-term cleanup of soil and groundwater and methods of eliminating contamination sources at Fernald.
- The low-level contaminants discharged over the years did not pose a threat to the health of local residents prior to implementation of the sump project.

KEY FACTS:

- DOE, FERMCO, regulators, and local stakeholders have known that low-level contaminant discharges have been released into Paddy's Run creek for years. Since the mid-1980's DOE and FERMCO have been studying remedial action alternatives including implementation of the sump project at Fernald.
- The uranium contamination levels in Paddy's Run Creek at the Fernald site boundary are already below the safety levels proposed for drinking water; however, DOE and FERMCO are in the process of installing the sump in an effort to reduce the levels even further.
- Upon completion of the project (May 1996), the sump will collect drainage that has been discharging historically into Paddy's Run.
- The site has already achieved over a 90% reduction in measured uranium contamination levels discharging from Fernald to Paddy's Run Creek.
- All work connected with the sump project has been conducted in full accordance with all environmental laws and regulations and internal requirements.

000011

May 10, 1996

TOPIC: FERMCO BRIDGE SOFTWARE MODIFICATIONS

The Cincinnati Enquirer continues to insist that FERMCO has altered computer software at the Fernald site for the purpose of reporting "better than expected performance results on specific projects" to the Department of Energy (DOE).

BACKGROUND:

- The software in question was written by FERMCO. The purpose of the software is to track the status of jobs in progress.
- FERMCO's bridge software program was implemented in 1993, and was approved by DOE prior to implementation.
- As part of a progressive effort to improve the reporting of timely and accurate information about jobs in progress, FERMCO modified the bridge software on 3 occasions.

KEY POINTS:

- DOE has conducted numerous audits that indicate the bridge software in question functions appropriately as intended. Areas of improvement have been suggested to FERMCO concerning the bridge software; however, DOE has found no evidence of *The Enquirer's* allegations of willful deceit.
- The bottom line is the software does not chart actual expended costs associated with individual cleanup projects. Its intended purpose is to track the projects path to physical completion. *The Enquirer* is confused with the purpose of the bridge software program and in its May 6 article, insists that the bridge software is tied to actual expenditure of project budgets.
- The modifications conducted by FERMCO personnel have never been hidden from DOE, as the newspaper claims. The modifications were performed to help catch and correct inaccurate data inadvertently entered into the system.
- The bridge software will continue to be used by FERMCO for its intended purpose in helping provide timely and accurate information to DOE.
- In conjunction with DOE, FERMCO will continuously work to improve its performance, including improving the bridge software.

000012

May 9, 1996

TOPIC: UNSAFE WORK CONDITIONS AT FERNALD

The Cincinnati Enquirer has accused FERMCO of practicing unsafe work conditions at the Fernald site. In addition, *The Enquirer* has reported that FERMCO management intimidates Fernald employees who report unsafe practices.

BACKGROUND:

- As FERMCO assumed responsibility as the contractor at Fernald in 1992, emphasis was placed on changing the safety culture in order to achieve excellence in the safety and health programs implemented at the site.
- As a result, FERMCO has placed its highest priority on ensuring the safety and health of its employees and members of the community.
- The Fernald Safety and Health Bill of Rights was developed in 1994 during contract negotiations between FERMCO and the union to formally state and guarantee the rights and responsibilities of all FERMCO employees with regards to safety and health.

KEY POINTS:

- FERMCO takes safety extremely serious at Fernald. Rigorous safety analyses are conducted daily before each activity and work conditions are reviewed by people performing the work to identify and address potential hazards. These safe work habits have yielded significant results, including a 50 percent reduction in injuries and worker's compensation costs.
- The Fernald Safety and Health Bill of Rights is provided to all Fernald employees. The Bill of Rights emphasizes that FERMCO employees are responsible for making Fernald a safe place to work by performing work safely, and more importantly, reporting unsafe acts or conditions to his/her supervisor, without fear of harassment, reprisal or retaliation.
- FERMCO employees achieved the best safety record in FERMCO's history this year. Almost 12 months of safe work hours were achieved without a lost time accident. In addition, FERMCO's construction subcontractors are building on a record 3 years (1.5 million safe work hours) without a lost workday accident.
- Two specific examples of false allegations reported in *The Enquirer* include: FERMCO pressured union leadership to sign a letter that says "the site is being run safely". In actuality, union leadership was asked to sign a letter to Fernald employees thanking them for their excellent work. A second example reported was that FERMCO supervisors warned subcontractors to keep quiet about safety problems. According to a safety culture questionnaire regularly provided to all employees, 89 percent of subcontractor employees feel they are free to identify and report safety concerns.
- Investigations of Fernald wrongdoing, including those accusing FERMCO of practicing unsafe work practices, are being conducted by the General Accounting Office (GAO). FERMCO welcomes the review, and will fully cooperate with the GAO.
- FERMCO is committed to cleaning up Fernald safely and effectively. Several accomplishments performed at Fernald have demonstrated FERMCO's commitment to safety. FERMCO will continue to perform work safely while constantly striving to improve safe work practices.

000013

Vitrification Pilot Plant (VPP) chronology

Background:

Vitrification technology will be used to stabilize approximately 14,500 tons of radium-bearing wastes contained in three above-ground concrete silos at Fernald (the K-65 silos). The vitrification process involves superheating the wastes and transforming them into a durable, stable glass form that is safe for shipment and permanent disposal. The radioactivity will still be present -- the process does not destroy it. However, it will be trapped in a glass matrix and will not migrate to the environment.

Chronology:

- The estimated cost of the Vitrification Pilot Plant was \$14.4 million in 1993
- The estimated cost was increased to \$42 million in November 1995. DOE issued a news release at that time announcing that operations were expected to be completed by October 1997 -- 17 months later than the estimated date provided in August 1995. This was due to late delivery of equipment, underestimation of design efforts required to complete the project, equipment interface problems, and an overzealous operations schedule.
- The estimated cost was increased to \$56 million in May 1996 and the schedule was extended another six months. Operations are now expected to be completed by November 1997. This is due to a change in the estimated operating efficiency of the facility. This change is a result of current Vit PP experience and previous operating experience at other vitrification facilities. Actual operating efficiencies will be determined during Vit PP Phase 1 operations which will test the process using surrogate materials.

Key Points of Discussion:

- Such revisions in estimated cost and schedule are common on pioneer process plant projects (such as waste vitrification).
- Relative to the most recent estimated cost increase and schedule extension, these issues have been under discussion between DOE and FERMCO for a number of months, with an associated awareness that they would result in cost and schedule impacts. The magnitude of the impacts has been finalized through the project baselining review process.
- The Vit PP is the first of its kind at Fernald due to the nature of the waste, project size and mission. Because of this, unique challenges confront the project team. FERMCO and DOE expect to encounter obstacles as the project progresses and to learn from them.
- FERMCO is confident in its ability to successfully complete this project.

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May 21, 1998

TOPIC: SILO 4 DESIGN SPECIFICATIONS

The Cincinnati Enquirer has alleged that according to Schweitzer (a construction subcontractor utilized by FERMCO) FERMCO is using improper design specifications on Silo 4 at the Fernald site, and that these improper design features could result in an unsafe event.

BACKGROUND:

- Removing the silo wastes is one of the most significant remediation accomplishments to be achieved during the Fernald cleanup effort.
- The silos at Fernald have expired beyond their original design life. The engineering designs in question have been completed as a protective safety measure to protect against unexpected failure of the silo dome during waste removal.. The overall goal is to remove the silo wastes from the Fernald site.
- Silo 4, which is empty, is the first of four silos to be removed. The removal of Silo 4 will serve as a test project for the removal of Silos 1 and 2, commonly called the "K-65 Silos", which contain radium-bearing, low-level radioactive wastes dating back to the 1950s. Lessons learned are expected from the Silo 4 test project and the results will be factored into the final design for the removal of the K-65 silos.
- Schweitzer is a subcontractor that was hired to complete site preparation activities (i.e. install underground utilities and build the concrete shielding walls) for the Vitrification Pilot Plant. Schweitzer was also responsible for a second contract which involved the fabrication and installation of 7 storage tanks to be used during the vitrification process. A third subcontract involved the fabrication and installation of the Silo 4 superstructure, which will be used for demonstration of the removal of the material from the K-65 silos.

KEY POINTS:

- FERMCO has investigated the design specifications in question by Schweitzer. The Silo 4 engineering design judgements are based on standard engineering practices and does in fact meet all manufacturer requirements.
- First, Schweitzer claims that the design called for 16 anchor bolts to have a 4-inch embedment depth as required by the manufacturer. Further stating, the installed bolts do not meet the minimum requirements. In reality, FERMCO has confirmed with the manufacturer that the bolts are being used properly. The design specifications relative to the use of these bolts are legitimate for their intended use at Fernald. The design calls for 16 anchor bolts to be installed to an embedment depth of 3 inches, which takes into account that embedment depths can vary according to the intended stress load.
- Schweitzer also claims that they have conducted testing on the silo dome and their measurements indicate that the Silo 4 dome ranges from 2 and one-half to 3 and one-half inches, and the concrete on the underside of the dome is flaky and crumbling. In reality, FERMCO has conducted non-destructive testing that indicates the dome thickness is 3.5 to 4 inches. In September 1995, FERMCO requested Schweitzer to provide the results of their tests that FERMCO could use to evaluate the dome thickness measurements. FERMCO has not yet received this data.
- Schweitzer also claims that there is slack in the cable lines that would be used to support the silo dome in the event of a partial structural failure, and this slack could result in a safety hazard. In reality, the design requires slack in the cable lines. The 16 anchors with cables provides a redundant safety feature. The purpose of the cables is to support a section of the dome in the highly unlikely event of a localized or partial collapse of the dome during the removal of the 8 ft. circle for waste removal access. The slack was factored into the design in order to prevent an unsafe situation (induced loads on the silo dome and superstructure)..
- FERMCO would be glad to discuss the Silo 4 design aspects with Schweitzer or *The Cincinnati Enquirer*. Completing the Silo 4 test project safely is the ultimate goal.

000015

May 22, 1998

TOPIC: FERMCO PROPERTY MANAGEMENT

The Cincinnati Enquirer alleges that FERMCO has disposed of millions of dollars worth of useful equipment and supplies from the Fernald site without following federal government excessing procedures.

BACKGROUND:

- Government regulations for excessing materials from the Fernald site require that excess equipment must be made available to other federal, state or local government entities.
- *The Enquirer* has specifically accused FERMCO of not following government regulations for excessing materials from the following locations/projects: Plant B -- Drum/Barrel Reconditioning Facility; the New Pilot Plant; Building 12; Trailers 89, 90, and 91; Piping stored at B Street and 1st Street; and containers of steel from Plant 7.
- Some of the projects in question by *The Enquirer* (i.e. the drum reconditioning facility) were handled by Westinghouse Environmental Management Company of Ohio before FERMCO assumed responsibility for the Fernald cleanup in December 1992.

KEY POINTS:

- FERMCO has an effective property management program and follows the required government regulations pertaining to excess equipment. When excess equipment is available from the Fernald site, a screening process is initiated to make the equipment available to other federal, state or local government entities.
- Excess equipment/supplies from Fernald are first made available to other DOE sites. If other DOE sites are not interested, it is then offered to other federal facilities (i.e. Army). If these federal facilities are not interested, the equipment is then offered to other state agencies, local government entities, and finally, for public sale if no interest is expressed.
- As mentioned above, *The Cincinnati Enquirer* has cited several examples of alleged instances of inappropriate disposition of materials. One example concerns the drum reconditioning facility formerly housed in Plant B at the site. The components of this facility have been properly screened nationally through the DOE and General Services Administration. Of the 11 major components of the drum reconditioning facility, one was transferred to the U.S. Navy and no interest was expressed through the screening process in the other 10. Seven of these 10 major components already have been prepared for sale, and FERMCO will be completing this process in the very near future.
- Another example cited by *The Cincinnati Enquirer* is that FERMCO improperly disposed of piping stored at First and B streets. This material allegedly was the wrong size for its intended use. It is also alleged that FERMCO would not allow this piping to be used on the Advanced Wastewater Treatment (AWWT) project as requested by a FERMCO supervisor. In reality, FERMCO research on this matter indicates that the events referenced in this allegation were part of Spring Clean '95, a sitewide housekeeping effort. These excess materials in question included 200 pieces of black iron pipe, 10 pieces of angle iron and a role of cable. The piping was excess material from the Laboratory Upgrade Project, which was completed in 1993. The condition of this piping was evaluated and determined to be deteriorated material with possible degradation of functional attributes. This assessment negated the possible use of the material by FERMCO. These materials have been placed in sea/land containers and are currently on site awaiting excessing as recyclable materials.
- FERMCO can find no evidence to date that supports any of these allegations.

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RESPONSES TO QUESTIONS FROM THE CINCINNATI ENQUIRER

Q: According to Mr. Gallagher's sources over 600 feet of piping had to be replaced when the piping became clogged during a recent system test. Is this true?

A: No piping has been replaced due to clogging. FERMCO did increase the size of the flocculent additive system which amounted to about 100 feet of piping as a result of modifications to the system. FERMCO also replaced about 600 feet of copper tubing (this was not due to clogging) to increase the flow of cooling water to the melter and gem maker. The size of the copper tubing was increased from one-quarter inch to three-quarter inch to obtain more flow.

Q: Mr. Gallagher's sources have told him that during testing at the Vitrification Pilot Plant over 50 leaks were detected. Is this true?

A: During a hydrotest to detect any leaks prior to system start-up, a leak was detected on the Utility Rack that supplies cooling water to the melter system. During System Operability Tests leaks were observed in the pumps used for the slurry transfer, recycle water and the scrubber. All leaks have been corrected.

Q: What is Parsons' role on the Vitrification Pilot Plant and what is the length of the Parsons' contract?

A: Parsons is the responsible Architect-Engineering firm for the design and engineering of the Vitrification Pilot Plant facility and specified equipment. The Parsons' contract at the Fernald Environmental Management Project expires November 30, 1997.

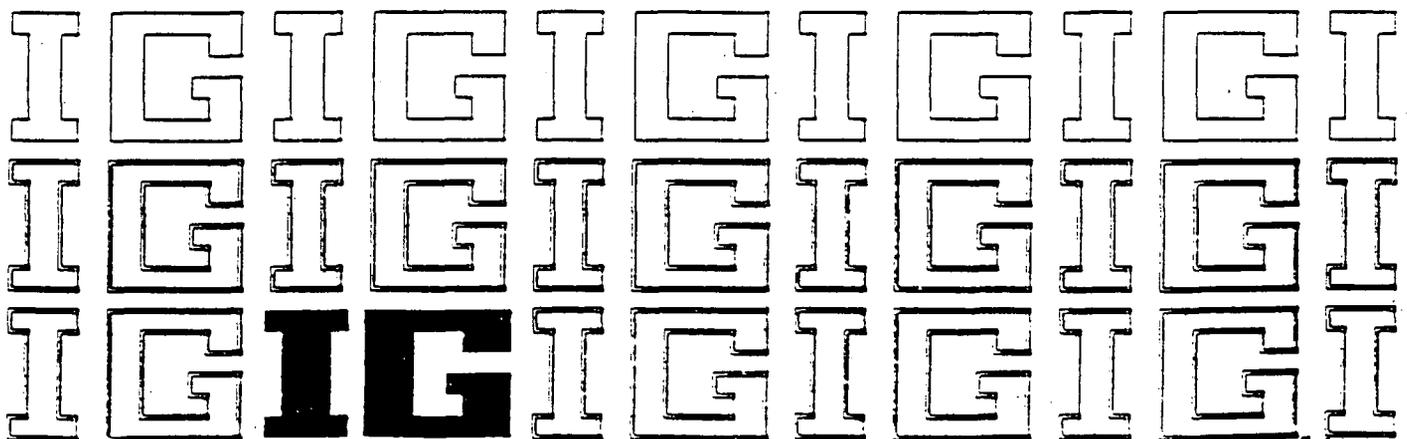
Q: According to Mr. Gallagher's sources 20 valves at the Vitrification Pilot Plant were installed "backwards." Is this true?

A: No, this is not true. During a System Operability Test with surrogate material it was discovered that the original valves had become difficult to operate. To rectify this problem a total of 10 of the original valves will be replaced with 1.5 inch pinch valves and one inch diaphragm valves.

*DOE's
response*



Audit of
Work Force Restructuring at
the Fernald Environmental Management Project



U.S. Department of Energy
Office of Inspector General

AUDIT OF WORK FORCE RESTRUCTURING AT
THE FERNALD ENVIRONMENTAL MANAGEMENT PROJECT

Report Number: ER-B-96-01
Date of Issue: April 23, 1996

Eastern Regional Audit Office
Oak Ridge, Tennessee 37830

AUDIT OF WORK FORCE
RESTRUCTURING AT THE FERNALD
ENVIRONMENTAL MANAGEMENT PROJECT

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U.S. DEPARTMENT OF ENERGY
OFFICE OF INSPECTOR GENERAL
OFFICE OF AUDIT SERVICES

AUDIT OF WORK FORCE RESTRUCTURING AT THE
FERNALD ENVIRONMENTAL MANAGEMENT PROJECT

Audit Report Number: ER-B-96-01

April 23, 1996

SUMMARY

The Department of Energy (Department) restructured its work force at the Fernald Environmental Management Project (Fernald Project) to reduce staffing levels and to modify the mix of workers' skills in response to budget cuts, facility closures, and changes in the Fernald Project's mission. The objective of this audit was to determine whether the work force restructurings were effective in reducing staffing levels and in changing the mix of workers' skills.

As of September 30, 1995, the restructurings were not effective in reducing staffing levels or in improving the mix of workers' skills. The Fernald Environmental Restoration Management Corporation (FERMCO) spent \$2.9 million to separate 255 employees in October 1993. However, by September 30, 1994, all but 14 of the employees separated were either rehired or replaced by new employees with similar skills. The second restructuring began in October 1994 and is not expected to be completed until May 1996. The Department expects the second restructuring to reduce FERMCO's work force by 476 employees at a cost of \$12.9 million. However, since the second restructuring began, FERMCO has hired 265 new employees and at September 30, 1995, had open job announcements seeking 82 additional employees. Many of these new employees have essentially the same skills as employees who separated under the two restructurings.

The Department's objectives were not met because the Fernald Area Office did not (1) require FERMCO to perform the skills analysis necessary to identify which employees were needed to perform the Fernald Project's current mission, and (2) effectively monitor FERMCO's restructuring efforts to ensure that the Department's objectives were met.

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As a result, FERMCO spent \$2.9 million in Fiscal Year (FY) 1994, and planned to spend an additional \$12.9 million in FYs 1995 and 1996 for work force restructurings that have provided little or no benefit to the Department.

Management agreed there were some deficiencies in the restructuring process and agreed to implement the recommendations.

Office of Inspector General
Office of Inspector General

PART I

APPROACH AND OVERVIEW

INTRODUCTION

Congress directed the Department of Energy (Department), through Public Law 102-484, to minimize the impact of mission changes and associated work force restructurings on affected workers and local communities. In response to this direction, the Department developed guidelines to assist field activities in developing and implementing work force restructuring plans. The first restructuring at the Fernald Environmental Restoration Management Corporation (FERMCO) resulted in the separation of 255 employees in Fiscal Year (FY) 1994 and the second restructuring is expected to reduce the work force by 476 employees by May 1996. These restructurings were planned to reduce staffing levels and change the mix of workers' skills in response to budget cuts, facility shutdowns, and changes in the Fernald Environmental Management Project's (Fernald Project) mission. The objective of the audit was to determine whether the restructurings effectively reduced staffing levels and changed the mix of workers' skills.

SCOPE AND METHODOLOGY

The audit was performed from January 12, 1995, through October 27, 1995, at the Department's Fernald Area Office and FERMCO in Fernald, Ohio. We also met with the Director, Office of Worker and Community Transition, in Washington, D.C. To achieve the audit objective, we relied on computer-processed data in FERMCO's accounting and human resources information systems. We assessed the accuracy and reliability of the data and found it adequate for use in meeting the audit objective. In addition, we:

- reviewed the requirements of Section 3161 of the National Defense Authorization Act of FY 1993;
- reviewed the Department's work force restructuring guidelines established by the Office of Worker and Community Transition;
- evaluated the development and implementation of the Fernald Area Office's first and second work force restructuring plans;
- analyzed restructuring costs incurred by FERMCO in FYs 1994 and 1995;
- compared staffing levels before and after the restructurings; and

- compared job titles of the employees separated to those of employees hired during the restructurings.

The audit was performed in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations necessary to satisfy the audit objective. Accordingly, we assessed Departmental policies, procedures, and responsibilities for work force restructuring actions. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit.

The audit results were discussed with the Director, Office of Worker and Community Transition, on February 16, 1996, and an exit conference was held with the Director, Fernald Area Office, on February 21, 1996.

BACKGROUND

FERMCO operates the Fernald Project under a cost-plus-award-fee contract awarded by the Oak Ridge Operations Office and administered by the Ohio Field Office and the Fernald Area Office. FERMCO assumed responsibility for the Fernald Project on December 1, 1992. From 1952 to 1989, the Fernald Project produced a variety of uranium products that served as feed materials for defense programs at other Departmental sites. The Department suspended production in 1989, and officially ceased production in June 1991. Since 1989, the primary mission of the Fernald Project has been environmental restoration and cleanup.

Subsequent to the end of the Cold War, Congress enacted legislation which required the Department to minimize the impact of work force restructurings made necessary by the end of the Cold War on affected employees and their local communities. The legislation was Public Law 102-484, Section 3161 (Section 3161), dated October 23, 1992. It required that restructuring be accomplished, when possible, through the use of retraining, early retirement, attrition, and other options that minimize layoffs.

In response to this legislation, the Secretary of Energy established a Task Force on Worker and Community Transition (Task Force) to develop guidelines for Department sites to follow in preparing restructuring plans. The guidelines required field activities to develop restructuring plans and submit them to the Task Force for approval. Further, the guidelines established the role of the Department's field organizations and contractors and suggested that restructuring plans be based on comprehensive skills analyses that identify workers' skills necessary to meet the changing mission. Field activities were encouraged to develop restructuring plans which minimized layoffs through the use of voluntary retirements and separations, retraining and re-employment assistance, and worker reassignments.

Since enactment of Section 3161, FERMCO in coordination with the Fernald Area Office, has prepared two work force restructuring plans. The first restructuring plan was approved by the Office of Worker and Community Transition (formerly the Task Force) in October 1993. The plan called for the voluntary separation or retirement of 62 FERMCO employees and the involuntary separation of another 198 FERMCO employees in FY 1994. Under this restructuring plan, 255 employees were provided severance payments based on their length of service, medical benefits, outplacement support, and retirement benefits, costing \$2.9 million. Before the first restructuring, FERMCO had 2,417 employees.

The second restructuring plan was approved by the Office of Worker and Community Transition in February 1995. The plan projected the voluntary separation of about 400 FERMCO employees in FYs 1995 and 1996 at a cost of about \$8.2 million. However, 476 employees have volunteered to separate, and the Department now estimates the cost of the second restructuring to be about \$12.9 million. Most of the 476 employees who are currently being separated under the plan will receive an incentive bonus of \$15,000 in addition to enhanced severance pay.

The Fernald Area Office was responsible for monitoring the restructurings to ensure that FERMCO followed Departmental guidelines.

OBSERVATIONS AND CONCLUSIONS

The Fernald Area Office's FY 1994 work force restructuring did not accomplish the Department's objectives of reducing total employment and changing the mix of workers' skills. FERMCO spent \$2.9 million to separate 255 employees in October 1993. However, by September 30, 1994, all but 14 of the employees separated were either rehired or replaced by new employees with similar skills.

We could not determine whether the second restructuring will achieve the Department's objectives because it will not be completed until May 1996. However, FERMCO continued to hire employees to replace those separated. Since the first restructuring began, FERMCO has hired over 600 new employees. If this pattern continues, the second restructuring, estimated to cost \$12.9 million, like the first, will not significantly reduce overall staffing or substantially change the mix of workers' skills.

These conditions occurred because the Fernald Area Office (1) did not require FERMCO to perform a work force skills analysis to identify employees needed to meet mission requirements, and (2) did not effectively monitor FERMCO's restructuring efforts to ensure that the Department's objectives were met. As a result, FERMCO spent \$2.9 million in FY 1994, and planned to spend an additional \$12.9 million in FYs 1995 and 1996, for work force restructurings that have provided little or no benefit to the Department. Therefore, we recommended that the Director, Fernald Area Office, require FERMCO to review the skills of employees scheduled to be separated, and encourage

employees with skills that are needed to retain their jobs. We also recommended that the Fernald Area Office monitor FERMCO's efforts to ensure that the Department's restructuring objectives are effectively met and that employees with needed skills are retained and not separated and replaced.

Continuing to separate and replace employees with needed skills under the restructuring plan is, in our opinion, a material internal control weakness that the Department should consider when preparing the yearend assurance memorandum on internal controls.

PART IIFINDING AND RECOMMENDATIONSRestructuring Objectives Not AchievedFINDING

The Department's restructuring objectives at the Fernald Project were to reduce staffing levels and change the mix of workers' skills. Although FERMCO separated 255 employees in FY 1994 at a cost of \$2.9 million, by the end of FY 1994 the work force was reduced by only 14 employees. During this restructuring, FERMCO rehired many workers and hired replacement workers with virtually the same skills as most of the employees who were separated; thus, the work force skills mix was not significantly changed. The Department anticipates that the second restructuring, expected to cost \$12.9 million, will reduce the work force by 476 employees; however, FERMCO continues to hire replacement workers. This condition exists because the Fernald Area Office (1) did not require FERMCO to perform a skills analysis, and (2) has not effectively monitored FERMCO's restructuring efforts. As a result, the Fernald Area Office spent \$2.9 million in FY 1994, and plans to spend an additional \$12.9 million in FYs 1995 and 1996, for work force restructurings that have provided little or no benefit to the Department.

RECOMMENDATIONS

We recommend that the Director, Fernald Area Office:

- (1) Require FERMCO to immediately perform a comprehensive skills analysis, review the skills of employees scheduled to be separated, and encourage employees with skills that are needed to retain their jobs;
- (2) Develop future restructuring plans based on comprehensive skills analyses in accordance with Departmental guidance; and
- (3) Monitor FERMCO's restructuring activities to ensure that the Department's objectives are met.

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MANAGEMENT REACTION

Management agreed there were some deficiencies in the FY 1994 restructuring process and concurred with the recommendations. However, management stated that the FY 1995 restructuring would achieve the Department's objectives.

DETAILS OF FINDING

RESTRUCTURING OBJECTIVES

The Department's objectives for restructuring the work force at the Fernald Project were to simultaneously reduce staffing and change the mix of workers' skills. The Department expected to decrease FERMCO's overall staffing in response to declining budgets and the shutdown of several Fernald Project facilities. The Department also expected to change the mix of workers' skills as remedial investigations and feasibility studies were completed and the actual clean-up efforts began. More specifically, the Department expected to reduce FERMCO's staffing for environmental sampling and characterization, and to increase staffing for construction management and subcontract administration. At the same time, the Department expected to increase staffing for subcontractors involved in remedial design and construction, since FERMCO's contract precluded its workers from performing these functions. For the second restructuring, the Department also expected to reduce project management and project controls personnel involved in administrative activities.

The Department planned to reduce FERMCO's staffing by at least 660 employees in FYs 1994, 1995, and 1996. In the first restructuring, the Department planned to separate 260 employees in FY 1994, including 62 voluntary separations and retirements and 198 involuntary separations. In the second restructuring, the Department plans to separate at least 400 employees in FYs 1995 and 1996, all by voluntary separations and retirements. FERMCO's notice to employees regarding the voluntary reduction-in-force stated that no replacements would be hired to fill vacated positions.

OBJECTIVES NOT ACHIEVED

FERMCO's restructuring efforts have not accomplished the Department's objectives. The first restructuring neither significantly reduced staffing nor substantially changed the mix of workers' skills. The second restructuring has not been completed; however, FERMCO has continued the same pattern of hiring employees to replace those separated. Thus, the second restructuring, like the first, might neither reduce overall staffing nor change the mix of workers' skills.

At the beginning of the first restructuring, FERMCO's total employment was 2,417 and it planned to reduce by 260. FERMCO separated 255 employees, rehired 73, and replaced most of the separated employees with new employees who had essentially the same skills as those separated. FERMCO did not significantly reduce the number of employees involved in environmental sampling and characterization. Also, FERMCO did not significantly increase the number of employees involved in construction management and subcontract administration. Consequently, at the end of FY 1994, FERMCO had reduced its total employment by only 14 and had essentially the same mix of workers' skills as before the restructuring.

In the second restructuring, the Department anticipated a reduction of at least 400 workers from FERMCO's employment base of 2,403. This restructuring will not be completed until May 1996; however, FERMCO has continued the same pattern of separating employees with needed skills and hiring replacements. As of September 30, 1995, FERMCO had separated 249 employees and still had 2,206 employees for a net reduction of 197. This net reduction was less than the number separated because FERMCO had hired new employees. Many of these new employees had the same general skills as the employees who were separated. Also, FERMCO had open job announcements seeking 82 additional employees as of September 30, 1995.

The Exhibit at Part IV of this report demonstrates that FERMCO's restructurings did not substantially decrease employment levels nor significantly change the mix of workers' skills. The Exhibit lists the number of employees separated in the first restructuring, the number of employees hired after the first restructuring, and the number of employees targeted to be separated in the second restructuring, as of October 3, 1995, for each individual skill title. If the first restructuring had achieved the skill mix changes anticipated by the Department, the Exhibit would show substantial (1) decreases in the skills associated with environmental sampling and characterization, and (2) increases in the skills associated with construction management and subcontract administration. However, the Exhibit shows no such patterns. FERMCO did not target specific skills for employee separations and new hires. Instead, FERMCO separated and then replaced employees with various types of skills. Moreover, for the four skill titles with the most separations in the first restructuring--clerk typists, secretaries, information record clerks/specialists, and information management analysts--the number of new workers hired after the restructuring far exceeded the number of employees separated.

As the following examples show, FERMCO's pattern of separating employees with needed skills and then hiring replacements occurred in both restructuring efforts.

- FERMCO separated 14 secretaries during the first restructuring, but then hired 19 new secretaries before the second restructuring. In the second restructuring, FERMCO identified 47 secretaries for separation, 3 of whom were hired after the first restructuring. Since announcing the second restructuring, FERMCO has hired 19 new secretaries.

- FERMCO separated 15 clerk typists in the first restructuring and subsequently hired 8 new clerk typists before the second restructuring. In the second restructuring, FERMCO identified 9 clerk typists for separation, 3 of whom were hired after the first restructuring. Since announcing the second restructuring, FERMCO has hired 17 new clerk typists.
- FERMCO separated 12 information records clerks/specialists during the first restructuring and subsequently hired 18 new information records clerks/specialists before the second restructuring. In the second restructuring, FERMCO identified 35 information records clerks/specialists for separation, 7 of whom were hired after the first restructuring. Since announcing the second restructuring, FERMCO has hired 8 new information records clerks/specialists.
- FERMCO separated 5 procurement specialists during the first restructuring and subsequently hired 9 new procurement specialists before the second restructuring. In the second restructuring, FERMCO identified 8 procurement specialists for separation, 1 of whom was hired after the first restructuring. Since announcing the second restructuring, FERMCO has hired 4 new procurement specialists.

During the audit, we received several formal and informal allegations of improprieties in the FERMCO restructuring processes. Some complainants alleged that workers who were hired by FERMCO's predecessor organizations at the Fernald Project were unfairly targeted for separation and replaced with new hires transferred in from other components of Fluor Daniel, Inc. Others alleged that selected workers were given separation and early retirement benefits for which they were not entitled. We verified that in at least a few instances, workers hired by FERMCO's predecessors were separated and replaced by new hires transferred in from other components of Fluor Daniel, Inc. However, we could not determine, with any degree of certainty, whether the new hires were more qualified or less qualified than the employees separated. Also, we referred an allegation of improper benefit payments to specific workers to the Director, Office of Worker and Community Transition, whose staff is still evaluating the allegation.

Management stated that many of the hirings shown in the Exhibit at Part IV were justified by changes in work scope, natural progression, attrition, and the requirements of the new collective bargaining agreement. Also, management stated that any instance of separating FERMCO employees and replacing them with new hires from other Fluor Daniel, Inc., components may have been totally proper considering the work to be accomplished and the particular skills of the workers involved. Nevertheless, we believe the exhibit strongly suggests a pattern of separating employees with needed skills and hiring replacements with similar skills, with little change in the overall employment level.

RESTRUCTURING PLANS SUBMITTED WITHOUT SKILLS ANALYSIS

These conditions occurred because the Fernald Area Office did not require FERMCO to perform the skills analysis necessary to identify which employees should be retained and which should be separated. In addition, the Fernald Area Office did not effectively monitor FERMCO's restructuring efforts.

Skills Analysis Not Performed

Preliminary Departmental guidance, issued in April 1993 and revised in March 1994, suggested that field activities develop restructuring plans based on a comprehensive skills analysis. The analysis was necessary to (1) determine worker skills required for the site mission, (2) compare skills and capabilities of the current work force to future needs, (3) identify worker retraining needs, and (4) identify workers with critical skills that must be retained. However, FERMCO did not perform a skills analysis, and the Fernald Area Office submitted both restructuring plans for Headquarters' approval without identifying the specific occupations or skills titles to be increased or decreased by the restructurings.

In the absence of a skills analysis, FERMCO's staffing reductions were based on collective bargaining agreements for union employees and division managers' rankings for salaried employees. Once Departmental budgets were established, division managers identified and separated hourly employees based on their respective collective bargaining agreements. Additionally, salaried employees were ranked by division managers on factors such as work habits, experience, and support for company values. Employees with the lowest rankings were separated without regard to skills possessed. Consequently, FERMCO separated employees with needed skills and hired new employees to replace those separated.

Despite the lack of a skills analysis, the Fernald Area Office submitted two restructuring plans, anticipating the separation of more than 600 FERMCO employees, for Headquarters' approval. FERMCO provided the Fernald Area office with details of its ranking system for identifying employees to be separated. FERMCO did not propose to identify critical skills needed to meet the Fernald Project's future mission nor to identify employees who could be reassigned or retrained rather than separated. The Fernald Area Office should have determined that the restructuring plans did not meet the basic requirements of Section 3161, especially the requirement to minimize layoffs. It should have required FERMCO to pursue opportunities for employee reassignments and retraining to avoid, or at least minimize, the number of layoffs.

Restructuring Not Effectively Monitored

After the first restructuring began, the Fernald Area Office did not closely monitor FERMCO's restructuring efforts to ensure that the Department's objectives were met. The Fernald Area Office did not monitor the occupations of workers who were

separated or hired to ensure that FERMCO (1) reduced the number of workers involved in environmental sampling and characterization, (2) increased the number of workers involved in construction management and subcontract administration, and (3) minimized layoffs by retaining workers with needed skills. The Fernald Area Office did not require periodic status reports on the numbers of employees hired and separated by occupation. Therefore, the Department was not aware that employees with needed skills were continually being separated and replaced.

Even though FERMCO had not completed the second restructuring and its success was questionable, the Fernald Area Office gave FERMCO \$405,000 in award fee for an "Excellent" rating on its work force restructuring efforts for the 6 months ended September 30, 1994.

LIMITED BENEFITS

The Fernald Area Office spent \$2.9 million in FY 1994, and plans to spend an additional \$12.9 million in FYs 1995 and 1996 for work force restructurings that have provided little or no benefit to the Department. Also, the Fernald Area Office is likely to pay for similar restructurings in future years because FERMCO still has not identified future staffing needs and continues to hire replacements for employees that it separates.

The funds spent on these restructurings, that provided little or no benefit to the Department, cannot be recouped. Nevertheless, this experience should not be repeated. More restructuring will be necessary in the future as the cleanup workload decreases and is ultimately completed. The future expenditures could far exceed the expenditures to date.

PART IIIMANAGEMENT AND AUDITOR COMMENTS

The Director, Fernald Area Office, and the Director, Office of Worker and Community Transition, responded to a draft of this report. A summary of both responses follows.

The Director, Fernald Area Office agreed that there were some deficiencies in planning and implementing the FY 1994 restructuring effort. Management stated that those deficiencies were the result of budgetary fluctuations, work scope changes, and significant labor relations developments subsequent to implementation of the FY 1994 restructuring plan. However, corrective actions were taken in the FY 1995 restructuring based upon lessons learned in the FY 1994 restructuring. Also the Fernald Area Office took a more active role in implementing the FY 1995 plan. Management stated that the FY 1995 restructuring is clearly meeting the Department's objective for salaried employee reductions. Salaried employment decreased from 1,826 on December 30, 1994, to 1,523 on February 9, 1996. The salaried target level for May 30, 1996, is 1,351, and it will be achieved.

The Director, Office of Worker and Community Transition, stated that he has tasked his Deputy Director to thoroughly investigate the issues covered in this report. The Director stated that the investigation has tentatively concluded that (1) satisfactory planning was lacking in the FY 1994 restructuring, (2) certain union employees had to be rehired because of changes in the labor agreement, and (3) some rehiring was necessary because of budget changes during the year or can be explained due to attrition. The Director also stated that the FY 1995 restructuring will meet the planned work force reduction and change the skills mix to place more emphasis on environmental remediation. The Director further stated that he had not received satisfactory information to reach a conclusion on a number of other issues raised in this report.

The Director, Fernald Area Office, agreed to implement the recommendations. Management's comments on each recommendation follow along with auditor comments.

Recommendation 1. Require FERMCO to immediately perform a comprehensive skills analysis, review the skills of employees scheduled to be separated, and encourage employees with skills that are needed to retain their jobs.

Management Comments. Management concurred and stated that it would make every effort to place employees scheduled for separation in appropriate positions before their currently scheduled separation.

Auditor Comments. Management's corrective actions are appropriate and should result in retaining employees needed for the future and, at the same time, reduce the amount of severance payments.

Recommendation 2. Develop future restructuring plans based on comprehensive skills analyses in accordance with Departmental guidance.

Management Comments. Management agreed with the recommendation and stated that there have been three iterations of FERMCO's skills mix analyses and each resulted in improvements. FERMCO will continue to make improvements.

Auditor Comments. Management's actions should result in the necessary improvements if a comprehensive skills analysis is performed before any future restructurings are implemented.

Recommendation 3. Monitor FERMCO's restructuring activities to ensure that the Department's objectives are met.

Management Comments. Management agreed to continue monitoring work force restructuring activities in a manner consistent with Departmental objectives, related guidance, and funding constraints. Management stated that as part of the lessons learned from the FY 1994 restructuring, it took a much more active role in the implementation of the FY 1995 restructuring plan. All plan contents, particularly the voluntary reduction in force portion, were the product of extensive discussions, and where appropriate, management direction and involvement.

Auditor Comments. Management's actions should result in the needed improvements if additional actions are taken to ensure that employees separated are not replaced with newly hired employees with similar skills.

PART IV

EMPLOYEES SEPARATED AND HIRED AS OF OCTOBER 3, 1995

<u>SKILL/TITLE</u>	<u>NUMBER SEPARATED IN FIRST RESTRUCTURING</u>	<u>NUMBER OF NEW HIRES</u>	<u>NUMBER TO BE SEPARATED IN SECOND RESTRUCTURING</u>
ACCOUNTANT I, II, III & SR & TECH II	3	1	3
ADMINISTRATIVE ASSISTANT	-	2	5
ADMINISTRATIVE SUPERVISOR	-	-	1
ANALYTICAL CHEMIST I, II, III & SR	6	3	7
ASST WATER PLANT OPERATOR	-	7	-
ASSOC CONSTRUCTION ENGR, I, II	1	2	2
ASSOC CONSTRUCTION SUPPORT ENGR, I	-	2	2
ASSOC ENGINEER I, II	7	3	7
ASSOC INFO MGMT ANALYST/SPECIALIST	1	-	-
ASSOC MATERIAL CONTROL SPECIALIST	-	-	3
ASSOC PROCESS/SPECIALIST ENGR I, II	2	-	5
BOILER OPERATOR	-	1	-
CARPENTER	-	4	-
CLERK TYPIST I, II & SR	15	25	9
CONSTRUCTION ENGR AIDE II	-	1	1
CONSTRUCTION ENGR I, II	-	6	5
CONSTRUCTION ENGR MGR I	-	-	3
CONSTRUCTION MGR I & SR	-	3	1
CONSTRUCTION SUPERINTENDENT II	-	-	1
CONSTRUCTION SUPPORT ENGR I, II	2	2	-
COOK	1	-	-
CO-OP, INTERN, GRADUATE ASSISTANT	-	72	-
COST ANALYST	-	1	-
DEPARTMENT ADMINISTRATOR, I, II	5	3	11
DIRECTOR OF AUDIT	-	-	1
DIRECTOR OF CERCLA/RCRA UNIT	-	2	-
DIRECTOR OF ENGINEERING	-	1	-
DIRECTOR OF QUALITY	-	1	-
DIRECTOR OF STRATEGIC PROGRAMS I	-	1	-
DRAFTER III & SR	1	1	-
ELECTRICIAN	-	13	-
EMERGENCY RESPONSE PLANNER	1	-	-
PRINCIPLE ENGR, ENGINEER I, II & SR	9	8	16
ENGINEERING AIDE I, II, III	2	4	4
ENGINEERING COORD II	-	-	2
PRINCIPLE ENV/LAB SCIENTIST, I, II, III & SR	6	6	41
ENV/LAB TECHNICIAN I, II, III & SR	2	14	19
ENV PROJECT MGR	-	1	-
ENV PROTECTION ENGR/SPECIALIST I, II, III & SR	2	1	10
ENV WASTE ENGR/SPECIALIST I, II, III & SR	3	5	12

<u>SKILL/TITLE</u>	<u>NUMBER SEPARATED IN</u>		<u>NUMBER TO BE SEPARATED IN</u>
	<u>FIRST RESTRUCTURING</u>	<u>NUMBER OF NEW HIRES</u>	<u>SECOND RESTRUCTURING</u>
EXECUTIVE VP	-	3	-
FIRE FIGHTER/ER SPECIALIST II/ PREVENT INSPECT.	1	1	-
FIRE PROTECTION ENGR/SPECIALIST I	1	-	-
GENERAL SUPERVISOR	-	-	1
GRAPHICS ARTIST II & SR	1	-	1
HAZARDOUS WASTE TECH (HAZWAT)	45	34	-
HEALTH PHYSICIST II, III	-	3	2
HEALTH PHYSICS TECHNICIAN III	-	1	-
HR/IR TECHNICIAN I, II & SR	1	1	2
HUMAN RESOURCES SPECIALIST I, II, III & SR	1	2	3
INDUSTRIAL HYGIENE TECHNICIAN I, II, & SR	-	2	4
INDUSTRIAL HYGIENIST II/III	1	1	1
INDUSTRIAL RELATIONS REP III	1	-	-
INFO MGMT ANALYST/SPECIALIST I, II, III & SR	9	14	4
INFO MGMT TECHNICIAN I	2	-	-
INFO/RECORDS CLERK & SPECIALIST I, II, III & SR	12	26	35
INSTRUMENT MECHANIC	-	6	-
INVENTORY/SUPPLY ANALYST I SPECIALIST	1	6	4
INVENTORY/SUPPLY SUPERVISOR	-	1	1
LABORER	1	41	-
LAUNDRY WORKER	1	12	-
LEAD INFO MGMT ANALYST/SPECIALIST	-	3	4
LEAD MAILROOM SUPPORT SPECIALIST, LII	-	4	-
LIBRARY SUPERVISOR	-	-	1
MAINTENANCE PLANNER I & SUPERVISOR I	3	3	5
MATERIAL COST ESTIMATOR I	-	-	1
MATERIAL CONTROL SPECIALIST I	-	-	1
MGR ADMINISTRATIVE/FACILITY SERVICES, SR MGR	-	1	3
MGR CONTRACT ADMINISTRATION, SR MGR	1	1	-
MGR ENGINEERING	-	1	-
MGR HUMAN RESOURCES	-	1	-
MGR INFO/RECORDS MGMT	-	-	2
MGR MATERIAL C&A, SR MGR	-	-	3
MGR PUBLIC AFFAIRS	-	-	2
MGR QUALITY, SR MGR	3	2	2
MGR RAD ASSESSMENT	-	1	-
MGR RADIOLOGICAL DOSIMETRY	-	1	-
MGR RSO OPERATIONS	1	-	-
MGR SAFETY ENGINEERING	-	1	-
MGR SECURITY/SECURITY ADMINISTRATOR	1	-	1
MGR SUPPORT SERVICES	-	1	2
MGR TECH PUBLICATIONS	1	-	2
MGR TECHNOLOGY PROGRAMS	-	-	1
MGR UTILITIES SERVICES	-	-	1
MGR I, II ANALYTICAL LAB SERVICES	4	-	-
MGR I, II, III ENV WASTE MGMT	-	4	3
MGR I INFO SYSTEMS	1	-	2
MGR I, II PROGRAM MGMT	1	-	3
MGR I MAINTENANCE SERVICES	-	-	1

<u>SKILL/TITLE</u>	<u>NUMBER SEPARATED IN FIRST RESTRUCTURING</u>	<u>NUMBER OF NEW HIRES</u>	<u>NUMBER TO BE SEPARATED IN SECOND RESTRUCTURING</u>
MGR II ENV SCIENCE	-	-	1
MEDICAL TECHNOLOGIST	-	-	1
MILLWRIGHT	3	8	-
MOTOR VEHICLE OPERATOR	-	1	-
OPERATIONS AREA SUPERVISOR	-	-	1
OPERATIONS MGR I, II, III	1	3	4
OPERATIONS SUPERVISOR	4	3	10
PHOTOGRAPHIC TECH	-	1	-
PIPEFITTER	5	15	-
PORTER	-	29	-
PRESIDENT	-	1	-
PRINCIPLE INFO/RECORDS SPECIALIST I, II	3	-	3
PRINCIPLE MATL/PROP CNTRL SPECIALIST	-	1	-
PRINCIPLE PROCESS/SPECIALTY ENGR, I, II & SR	2	3	5
PRINCIPLE PROCUREMENT SPECIALIST, I, II & SR	5	13	8
PROJECT CTRLS ASSOC I, II	5	-	8
PRINCIPLE PROJECT CTRLS ENGR/SPECIALIST, I, II & SR	2	15	11
PROJECT ENGR I, II & SR, PRINC	5	3	16
PROJECT MGR II, III	-	2	1
PUBLIC AFFAIRS SPECIALIST I, II, III & SR	4	1	6
QUALITY VERIFIER II & SR	-	1	3
RAD CONTROL TECH I, II, III & SR	2	26	-
RECEPTIONIST	-	-	1
REG COMPLIANCE ENGR/SPECIALIST, I, II, III	7	3	2
REPRO EQUIPMENT OPERATOR & SR	1	3	-
SAFETY ENGR/SPECIALIST I, III & SR	-	2	5
SECRETARY I, II, III & SR	14	38	47
SECURITY OFFICER	-	3	-
SITE SERVICES SUPERVISOR	-	-	1
SR COMPUTER OPERATOR	-	-	1
SR CONT PERF IMP SPECIALIST	-	-	1
SR COUNSEL	-	-	1
SR EMERGENCY PLANNER	-	-	1
SR MGR ACCOUNTING	-	-	1
SR MGR ENV PROTECTION	-	-	1
SR MGR ENV SCIENCE	-	-	1
SR MGR ENV WASTE MGMT	-	1	-
SR MGR INDUSTRIAL RELATIONS	-	1	-
SR MGR PROCUREMENT	-	1	-
SR MGR PROJECT CONTROLS	-	2	-
SR MGR RAD CONTROL	-	1	-
SR MGR STRATEGIC PROGRAMS INT	-	1	-
SR NURSE	-	1	-
SR PHOTOGRAPHIC TECH	2	-	-
SR SUPV ADM/FACILITY SERVICES	-	1	3
SR TECHNICAL MGR	-	1	1
STOREROOM ATTENDANT	-	1	-
SUPPORT SVCS SUPERVISOR I, II	1	-	3
SUPERVISOR ANALYTICAL LAB SVCS	-	1	2

<u>SKILL/TITLE</u>	<u>NUMBER SEPARATED IN FIRST RESTRUCTURING</u>	<u>NUMBER OF NEW HIRES</u>	<u>NUMBER TO BE SEPARATED IN SECOND RESTRUCTURING</u>
SUPERVISOR ENV SCIENCE	-	-	1
SUPERVISOR FIRE PROT ENGINEERING	-	-	1
SUPERVISOR INFO MGMT	-	-	1
SUPERVISOR INFO/RECORDS MGMT	1	1	1
SUPERVISOR PROCUREMENT	1	-	-
SUPERVISOR QUALITY	-	-	1
SUPERVISOR RAD CONTROL	-	2	1
SUPERVISOR TRAINING	1	2	-
PRINCIPLE TECH/PROGRAM SPECIALIST, I, II, III & SR	8	8	30
TECH PUBLICATIONS SUPERVISOR	-	-	1
TECH WRITER/EDITOR I, II, III	2	6	3
TRAFFIC SUPERVISOR	-	1	2
TRAINING COORD	-	-	1
TRAINING SPECIALIST I, II, III & SR	5	9	7
UTILITIES SVCS SUPERVISOR I	-	-	1
UTILITY WORKER	3	-	-
WAREHOUSE TECH II	-	-	1
WASTE WATER PLANT OPERATOR	-	11	-
WELDER	1	-	-
WELLNESS COORDINATOR	-	1	-
WORD PROCESSING TECH II, III & SR	4	14	4
LONG TERM DISABILITY	-	-	1
TOTALS	255	616	476

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1. What additional background information about the selection, scheduling, scope, or procedures of the audit or inspection would have been helpful to the reader in understanding this report?
2. What additional information related to findings and recommendations could have been included in this report to assist management in implementing corrective actions?
3. What format, stylistic, or organizational changes might have made this report's overall message more clear to the reader?
4. What additional actions could the Office of Inspector General have taken on the issues discussed in this report which would have been helpful?

Please include your name and telephone number so that we may contact you should we have any questions about your comments.

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When you have completed this form, you may telex it to the Office of Inspector General at (202) 586-0948, or you may mail it to:

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Washington, D.C. 20585
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If you wish to discuss this report or your comments with a staff member of the Office of Inspector General, please contact Wilma Slaughter (202) 586-1924.

000039



MEMORANDUM

TO: Task Force Members

FROM: John Applegate

SUBJECT: Summary of Belarussian Scientists' Visit on 6/25/96

DATE: June 14, 1996

Purpose

Fernald has agreed to host a team of visiting scientists from the Republic of Belarus on three separate occasions in CY 1996. The scientists are visiting the United States, under contract with the Department of Defense, Defense Nuclear Agency (DNA), to learn about environmental investigation, site remediation and cleanup technologies which may be imported and used in their country. Arthur D. Little is coordinating the Belarussian visits for the DNA. Last fall, Arthur D. Little provided specialized training to the scientists on site characterization and remedial techniques at a Belarus site.

Dates of Visits

The first Belarussian visit was on April 2, 1996. Two more visits are planned on June 25 and October 29. Each visit will include a new group of Belarussian scientists, one Belarussian translator, and three Arthur D. Little representatives, including another translator.

Agenda

The scientists will arrive at Fernald around 8:00 a.m. on June 25. Following a brief safety orientation and site overview, the scientists will take a standard driving tour of the FEMP. If time permits, the scientists will also walk through the AWWT Facility and the Real-Time Radiography area. After a brown-bag lunch, presentations on environmental remediation technologies and activities will begin around 12:30 p.m. in the Alpha Building. The scientists will leave the site no later than 4:00 p.m.

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*Task members have been invited to join the scientists from 3:30 - 4:00 p.m in the Large Lab Conference Room. Interested Task Force members **must** sign up in advance with Jane Peters, Technology Programs, by calling 648-6441.*

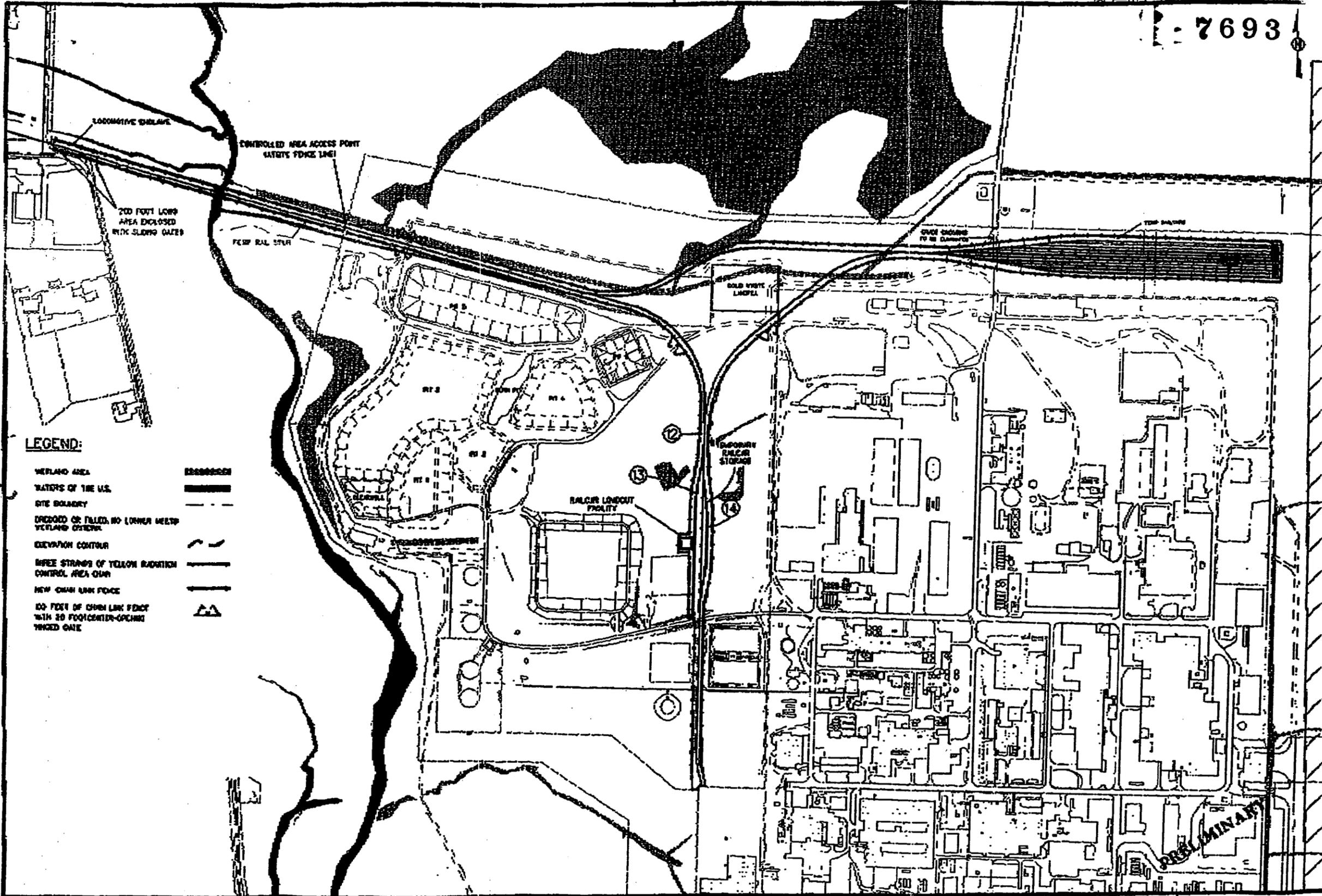
The scientists reportedly speak very little English, so all presentations — including the tour overview — will be conducted using simultaneous translation. The major environmental problems facing the Belarussians in their homeland are oils, greases, solvents, etc.; however, proper management and control of radioactive constituents is still very important (Chernobyl is close to the border of Belarus).

Background of Scientists

The occupations and employers of the scientists visiting Fernald on June 25 are noted below:

- Raissa Mikhailovna Drobychevskia, Head of the Department of Analytical Control of the Gonel Regional Committee for the Environment
- Ivan Nikolaevich Korovko, Head of Novopolotsk Environmental Inspection
- Alexei Gennadievich Mazanenko, Hydrogeologist at Geophysic Expedition
- Alexander Leonidovich Rogovik, Junior Scientist at the Laboratory of Industrial Toxicology at the Belarus Sanitary-Hygiene Institute
- Vladimir Ivanovich Sokolovski, Head of Orsha Regional Environmental Inspection
- Vladimir Ivanovich Melnichenko, Main Geologist of Expeditions at the "Belgiprovodhoz" Institute
- Vladimir Vladimirovich Borovko, Director of the Construction of the Rehabilitation Center for Children
- Alexander Nikolaevich Batanov, Interpreter
- Andrei Dementiev, Interpreter
- Alexander Efimovich Plenin, Full-time student in U.S.
- Sergei Federovich Savtchik, Full-time student in U.S.
- Vladimir Mukhtarovich Baitchorov, Full-time student in U.S.

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- LEGEND:**
- WETLAND AREA
 - STATES OF THE U.S.
 - SITE BOUNDARY
 - DEPRESSED OR FILLED, NO LOWER WETLAND CATEGORIES
 - ELEVATION CONTOUR
 - THREE STRINGS OF YELLOW RADITION CONTROL AREA CURB
 - NEW CHAIN LINK FENCE
 - 50 FEET OF CHAIN LINK FENCE WITH 20 FOOT CENTER-OPENING TYPED GATE

SCALE
0 100 200 400 FEET

CONDOLA CAR UNIT TRAIN
42 CARS (22857)

CONDOLA CAR STORAGE
20 CARS (11423)



CONDOLA CAR STORAGE
4 CARS (22857)

FERNALB ENVIRONMENTAL
RESTORATION MANAGEMENT
CORPORATION
Fernalb
Environmental Management Project
U.S. DEPARTMENT OF ENERGY

UPGRADED FEMP
RAIL SYSTEM

FILE NAME



Restoration Management Corporation

P. O. Box 538704 Cincinnati, Ohio 45253-8704 (513) 648-3000

June 13, 1996

FERMCO STATEMENT REGARDING ACCELERATED CLEANUP

As we've already said in our June 6, 1996 news release, the rebaseline proposal for FERMCO's accelerated cleanup plan is a major step forward. In concrete detail, it lays out the steps FERMCO is taking to complete the remediation in 10 years -- not 25 -- a record pace that will save taxpayers more than \$3 billion.

The plan, which has been in development for more than a year, was painstakingly reviewed by FERMCO and the DOE. In fact, DOE's review of the revised baseline was so comprehensive it involved staff from the Fernald Area Office, the Ohio Field Office, and DOE Headquarters (DOE-HQ). An independent review was also conducted by a group comprised of three outside firms.

Comments covered a broad range of issues, especially the scope, schedule, and cost of the revised baseline, and FERMCO and DOE have worked together to resolve all of these issues.

The U.S. Congress, DOE-HQ, regulators such as the Ohio EPA, and key local stakeholders have all endorsed the accelerated remediation concept. In addition, the Fernald Citizens Task Force provided DOE a formal recommendation on project acceleration.

FERMCO also knows that the rebaseline plan is very ambitious and, although we will face challenges along the way, we are confident we can meet them and make the remediation happen in record time. In fact, since beginning implementation earlier this year, FERMCO has already met a number of important milestones within the 10-year cleanup plan.

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**FERNALD**
Environmental Management Project

Employee Update

June 13, 1996

FERMCO'S POSITION ON PROPERTY MANAGEMENT

TO ALL EMPLOYEES:

We're sure you have questions and concerns surrounding *The Enquirer's* June 2 article, "Millions Thrown Away at Fernald." We want to let you know, first and foremost, that we can find no evidence supporting the allegations that we are disposing of materials inappropriately. We have a strict process in place to ensure that we properly dispose of "excess" government property and that we do so within DOE guidelines.

It is true that FERMCO disposed of many of the items mentioned in the article, but not in the way *The Enquirer* suggests -- we've played by the rules. We adhere to a strict government policy for the disposal of excess equipment and supplies, making every effort to find another use for the material. In conjunction with reuse bulletin board notices, walk-throughs and direct contacts, a DOE database carries listings of excess property for 30 days. If no interest is expressed, the item is made available to all U.S. government agencies for 60 days. In many cases, another user is found, but not always.

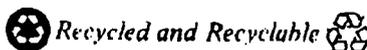
If a government user cannot be found, FERMCO still has one last resort before disposal -- selling the item at an auction. Of course nothing leaves the site until a team evaluates the materials to make sure that they do not contain unacceptable levels of hazardous substances and are not export controlled commodities or proliferation/information sensitive. Only when there is no foreseeable market or use for an item does FERMCO dispose of anything.

When situations involving alleged improper disposition of government property are brought to our attention -- regardless of the source of information -- we do, and will continue to, conduct thorough investigations. We consider this part of our continuous effort to improve on the job every day. Any employee who sees an example of inappropriate property disposal should immediately bring it to my personal attention without fear of retaliation, and I will ensure that an investigation is conducted promptly.

We can tell you that our reviews of the individual examples questioned by *The Enquirer* found that the major components in question have been properly excessed and screened for alternate use. We can also tell you that we're not perfect -- we've had some problems in the past that resulted, in large part, from the need to adapt ourselves to a site that not long ago shifted from production to remediation. We've taken steps to ensure that we strictly adhere to DOE rules and we're proud of our record. We believe we have a good, sound process for disposing of excess equipment and supplies.

John Bradburne
FERMCO President

Removal Date June 27, 1996



M-363 (4/15/83)

000044

**FERNALD**
Environmental Management Project
Employee Update

June 13, 1996

FERMCO'S POSITION ON SILO 4 SUPERSTRUCTURE TEST PROJECT

TO ALL EMPLOYEES:

As you know, we take all safety issues and alleged safety violations regarding work at the Fernald Environmental Management Project very seriously. In that regard, we want to address the Silo 4 superstructure test project discussed in the June 3 *Cincinnati Enquirer* article, "FERMCO Test Plan Called Unsafe: Subcontractor Faults Waste-Removal Project."

The removal of the empty Silo 4 is a test project designed to ensure that the removal of the other three silos is conducted in the safest and most efficient manner possible. Because the other three silos -- the K-65 silos -- contain the highest levels of radiation at Fernald, this is a top priority.

We believe the design of the Silo 4 test project is sound and that it will allow us to establish the best possible process for actual waste removal from the other silos. Also, it should be noted that the system of bolts and cables connecting the superstructure to the silo dome in question is an added safety feature. It would only be used in the event that the silo dome started to cave in during waste removal system testing.

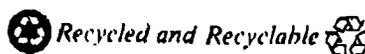
Within the above-mentioned article, it was alleged that FERMCO directed a subcontractor to install bolts to a depth less than that required by the manufacturer. FERMCO spoke with the bolt manufacturer -- an exchange backed up by communications records -- who confirmed that our design was acceptable relative to bolt installation depths for the given loads.

Also, the article stated that FERMCO was ignoring a subcontractor's field observations that actual silo dome thickness was less than previously thought. This is not true. We have re-evaluated the installed system, and we concluded that it is still adequate to provide its added safety function, even though the dome was not as thick as previously believed. In addition, before initiating Silo 4 testing activities, FERMCO will again confirm the acceptability of the installed system. This may include the collection of additional field data.

The Enquirer article also points out that there is slack in the cable lines that could result in a safety hazard. There is indeed slack in the lines; however, it is necessary to *prevent* a safety hazard from developing. Specifically, it was determined that if the cables were tightened, and the superstructure swayed due to wind, it would induce loads in the silo concrete that could lead to unacceptable cracking.

OVER

Removal Date June 27, 1996



M-383 (4/15/93)

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03/14/98 10:44 PUBLIC AFFAIRS / SHIRO NO. 458 P003/003

The actual removal, transfer, and vitrification of the K-65 silos, known as the Fernald Residues Vitrification Project, is one of our most significant remediation efforts. We remain confident that the Silo 4 test project will accomplish its purpose – to provide a safe and appropriate superstructure that will be used to remove, transfer, and vitrify silo wastes in the best way possible.

Please feel free to contact me, personally, if you have any comments or concerns regarding the vitrification project.

John Bradburne
FERMCO President

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