Memorandum from the Office of the Inspector General

December 3, 2009

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FINAL REPORT – INSPECTION 2008-11995 – REVIEW OF EDUCATIONAL DEGREES FOR CONTRACTORS ASSIGNED TO THE WATTS BAR NUCLEAR PLANT UNIT 2 CONSTRUCTION COMPLETION PROJECT

Based on reports of government and contractor employees obtaining phony/counterfeit educational degrees, we conducted a review of Bechtel and subcontractor employees assigned to the Watts Bar Nuclear Plant Unit 2 Construction Completion Project (WBN U2 Project). Our objective was to validate, for selected personnel, the highest educational degree listed on the resume submitted for employment. In summary, we found no instances where an employee was hired based on a fraudulent degree. However, neither Bechtel nor the Office of the Inspector General (OIG) was successful in verifying one Bechtel employee’s degree.

BACKGROUND

An article published July 30, 2008, by the Spokesman-Review\(^1\) listed almost 10,000 people identified by the Department of Justice who had purchased phony and counterfeit high school and college degrees. One of the people included in the list, an employee of a company which operates two nuclear plants in Minnesota, was found to have counterfeit degrees in engineering and accounting. We conducted this review to validate the highest degree listed on the employee’s resume which was submitted for employment by Bechtel and subcontractor employees assigned to the WBN U2 Project.

The personnel access authorization requirements for nuclear power plants, 10 CFR 73.56, published by the Nuclear Regulatory Commission, state licensees, applicants, and contractors or vendors shall ensure that an employment history evaluation has been completed on a best effort basis by questioning the individual's present and former employers and by determining the activities of the individual while unemployed. If education is claimed in lieu of employment, the individual shall provide any information related to the claimed education that could reflect on the individual's trustworthiness and reliability and, at a minimum, verify that the individual was registered for the classes and received grades that indicate the individual participated in the educational process during the claimed period.

\(^1\) The Spokesman-Review is the daily newspaper in Spokane, Washington.
According to a TVA Nuclear Access Services employee, to obtain unescorted access to nuclear facilities, an educational review is only required if the individual has not been employed for the last five years or more. Individuals who do not require unescorted access to the facilities do not have their education verified. Additionally, the Bechtel Human Resources Manager stated that the two most recent post-secondary degrees attained are verified if the position requires the degree.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of this review was to validate, for selected WBN U2 Project personnel, the highest educational degree listed on the resume submitted for employment. To achieve our objective, we verified the educational achievement required for employment as reported by selected Bechtel and subcontractor employees by either (1) using the National Student Clearinghouse, (2) reviewing verification documentation maintained by Bechtel, (3) independently researching the applicable school and contacting them, or (4) having the Human Resources Manager contact the employee. Specifically, we:

- Reviewed the list of purchasers of phony or counterfeit degrees from the Spokesman-Review article for names which match those of contract employees who have worked on the WBN U2 Project and verified those employees' highest educational degree obtained.

- Verified the highest degree obtained for a sample of 135 Bechtel employees. Our sample consisted of (1) a judgmentally selected sample of 56 employees used in a previous inspection, (2) an additional randomly selected sample of 70 employees from the active Bechtel employees assigned to the site, and (3) 9 employees whose names matched those on the list of counterfeit degrees published in relation to the Spokesman-Review article. This resulted in a total sample of 135 employees, or about 10 percent of the population universe.

This review was conducted in accordance with the "Quality Standards for Inspections."

FINDINGS

Our review found no instances where an employee was hired based on a fraudulent degree. However, neither Bechtel nor the OIG was successful in verifying one employee's degree. The results of our work are summarized below:

- Ten employees had not provided educational information on their resume. We determined from Bechtel Human Resources that these employees were hired based on their experience rather than education.

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2 The National Student Clearinghouse is a nonprofit organization that provides services for post-secondary and secondary student degree, diploma, and enrollment verification.

3 OIG Inspection 2008-11591, Review of Contractor Qualifications for Bechtel Employees Assigned to the Watts Bar Nuclear Plant Unit Two Construction Completion Project.
Twelve employees had obtained a high school degree more than 30 years ago. According to Bechtel's Human Resources Manager, these employees were not hired based on their degree but rather their experience; therefore, we did not verify their high school degree.

Twenty-five of the employees' degrees had been verified through Bechtel because the degree was required for the position they were hired to do. To verify degrees, Bechtel used Bartlett, The National Student Clearinghouse, Sterling Direct, and World Education Services. Also, Bechtel often contacted the university or school directly to obtain education verification. This verification was documented and received in addition to their resume and/or application from the Bechtel Human Resources Manager upon our request. For three of the degrees, Bechtel's documentation of the verification was a copy of the diploma. In all three cases the diploma was from a foreign school. It was unclear whether this was provided by the school or the employee.

We verified 85 employee degrees. Fifty-seven employee degrees were verified using the National Student Clearinghouse, and twenty-six employee degrees were verified by contacting the schools' Registrar/Records Office. We found in one instance that an incorrect school was listed. According to a Business Support Representative assisting us with obtaining information, the employee contacted the correct school from the Bechtel subcontractor's office, and the administrator did have the employee listed in the system, and the resume is being corrected. A transcript was obtained from the school the employee attended and e-mailed to the OIG team. Another employee had to obtain verification and e-mail the official enrollment verification to us because we could not verify attendance based on the information available to us.

Two employees in our sample were employees of a Bechtel subcontractor which were no longer employed by the subcontractor. According to Bechtel's Human Resources Manager, their termination was not related to a phony degree. We could not verify their attendance/degree based on their application/resume or their social security numbers. However, we did not proceed further since they are no longer employed by the contractor.

We were unable to verify the undergraduate degree of one employee. The claimed degree was from the University of Calcutta in India. Bechtel had requested verification from the school and received in return a letter stating the school (1) charged a fee and (2) required a copy of the diploma for the verification which could not be supplied by the employee. According to Bechtel, the employee no longer had a copy of the degree. In addition, the position the employee was hired for was a Senior Pipe

4 Bartlett performs background checks in compliance with the Nuclear Regulatory Commission and the Nuclear Energy Institute standards.
5 Sterling Direct is a provider of employment and background screening services. It offers background checks, drug testing, and other key verification and assessment services.
6 World Education Services is a not-for-profit organization with experience in evaluating international credentials.
Support Engineer which requires a minimum of a bachelor's degree in mechanical or civil engineering. We were able to verify that some graduate work was completed as noted on his/her resume, but no graduate degree was obtained, and the institution did not verify undergraduate degrees on admittance.\(^7\)

**RECOMMENDATION**

We recommend the Vice President, WBN U2, in conjunction with the Bechtel Project Director, make certain that employees' educational degrees are verified if the degree is required for the position for which they are hired. Furthermore, a copy of a diploma supplied by an employee should not be considered adequate verification.

**MANAGEMENT COMMENTS**

TVA management reviewed a draft of this report, agreed with our findings and recommendation, and plans to take corrective actions.

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This final report is for your review and final action. Please advise us of your planned actions (i.e., management decision) in response to our findings within 60 days from the date of this report.

Information contained in this report may be subject to public disclosure. Please advise us of any sensitive information in this report that your recommend be withheld.

If you have any questions or wish to discuss our observations, please contact Heather R. Kulisek, Auditor, at (423) 785-4815 or Gregory C. Jaynes, Deputy Assistant Inspector General, Inspections, at (423) 785-4810. We appreciate the courtesy and cooperation received from your staff during the inspection.

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OIG File No. 2008-11995

\(^7\) We requested additional information concerning the number of Bechtel employees assigned to the WBN U2 Project whose position required a degree without verification or only a copy of a diploma as verification documentation. Bechtel responded they are unaware of another situation like this one.