

OFFICE OF THE INSPECTOR GENERAL
U.S. Nuclear Regulatory Commission

Memorandum of Interview

OIG Case No: 07-63

On February 8, 2008, Anthony GRECO, Senior Vice President, Human Resources and Corporate Relations, Westinghouse Electric Company, was interviewed by Special Agent (b)(7)c [redacted] Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC), regarding MERRIFIELD's search for post-government employment. Also present during this interview was James A. BUDDIE, Assistant General Counsel, Westinghouse Electric Company. GRECO provided essentially the following information:

GRECO indicated that he has been with Westinghouse since 1997. He did not deal with the NRC staff as part of his duties. He had met MERRIFIELD at a past nuclear industry conference; however, he had no real professional interaction with MERRIFIELD. GRECO was unaware of MERRIFIELD's involvement with NRC support to Chinese regulators on the AP1000 or the NRC's Combined Licensing Task Force. GRECO indicated he was involved only very little in the operational aspects of Westinghouse Nuclear. As a Senior Vice President, he does on occasion have signature authority for documents when other senior executives are absent. However, he noted that his signature on these items is purely an administrative type of action.

GRECO learned of MERRIFIELD's planned departure from the NRC from Stephen TRITCH, President and CEO, Westinghouse. TRITCH gave him a "heads up" that he might be contacted by an attorney acting for MERRIFIELD. GRECO estimated that in the spring of 2007, he received a call from MERRIFIELD's attorney. GRECO could not recall the attorney's name. He indicated that conversation was very brief, about a two minute conversation. The attorney indicated he was acting as an intermediary. GRECO asked if he could contact MERRIFIELD directly, which he indicated was allowed. GRECO indicated that he had not worked through such an arrangement previously and felt that it was odd. GRECO had looked at positions to determine which might be appropriate for MERRIFIELD, but he did not get into any discussions with the attorney about these potential positions.

GRECO indicated that he contacted MERRIFIELD and arranged for him to come to Westinghouse. No other meetings or discussions occurred prior to his visit. The visit was to include meetings with senior staff members. Many of these executives knew MERRIFIELD from their annual meetings with the NRC, but many were not initially aware that he was looking for post-government employment.

GRECO indicated that the consensus among the Westinghouse executives was that having MERRIFIELD work in domestic sales, under Jim FICI, was the most appropriate. GRECO noted that although MERRIFIELD had traveled internationally, he really did not have the right experience to handle international sales. So, the position working in domestic sales was really the only opening available at MERRIFIELD's level. GRECO added that MERRIFIELD knew key individuals throughout the nuclear industry, which should be an asset for such a position. GRECO stated that he met with MERRIFIELD at the beginning of his visit, then again prior to his departure. MERRIFIELD indicated that he probably would be interested in a position with Westinghouse.

Based on the positive indications from the meeting, GRECO arranged for FICI to be able to meet with MERRIFIELD. FICI was on travel on June 1, 2007, and had been unable to meet

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with MERRIFIELD during his visit. GRECO was not present at this subsequent meeting, but believed it occurred in Washington, DC. This meeting also went well, and they made the decision to offer him a position, which was drafted and sent by Dallas FREY, a member of GRECO's staff. MERRIFIELD had questions about the position title and reporting relationships. Westinghouse agreed to the title and attendance at strategic offsite meetings for senior executives, but did not agree to MERRIFIELD reporting directly to TRITCH.

GRECO indicated that from this point in negotiations with a prospective employee, they generally have the prospective supervisor continue the contact. GRECO believed it was FICI who received MERRIFIELD's answer declining the position. GRECO guessed that this occurred around July 1 or 2, 2007. GRECO was initially surprised that MERRIFIELD declined the position. GRECO opined that MERRIFIELD may have believed that working for The Shaw Group would have been on a higher level or carried an enhanced status since it was part owner of Westinghouse. GRECO also believed that the pay at Shaw may have been higher than their offer.

GRECO stated that Westinghouse had informed Mr. NIWANO at Toshiba about the potential hiring of MERRIFIELD. This notification occurred approximately the same time as the June 1, 2007 interview. NIWANO appeared to know who MERRIFIELD was, but did not seem to know him well. He seemed impressed that Westinghouse might be able to hire someone who had been an NRC Commissioner. No discussions occurred with other companies, including Shaw, about the prospective hiring of MERRIFIELD. GRECO had no knowledge of any companies that might have tried to hire MERRIFIELD.

GRECO believed that the employment process with MERRIFIELD had been entirely "above board," and he was not aware of any circumstances which may have created a conflict of interest.

Interviewed by (Special Agent [redacted])
MOI Prepared on February 1, 2007
MOI Reviewed by/on: (b)(7)c [redacted] *REEL UP*