

**Report Documenting the Results of an Independent
Investigation into Two FAST Concerns**

Prepared by

Billie Garde
Clifford & Garde
and
Paul Flaherty
ENVIRON International Corporation

On behalf of

BP Exploration (Alaska) Inc.
Anchorage, Alaska

May 2007

C O N T E N T S

	<u>Page</u>
I. INTRODUCTION	2
II. BACKGROUND INFORMATION	2
III. METHODOLOGY	3
IV. INVESTIGATION FINDINGS	4
V. CONCLUSION	14

A T T A C H M E N T S

Attachment A: August 31, 2006 FAST Concerns

Attachment B: BP Repair Log and Investigation Report

Attachment C: BPXA President's Letter dated September 8, 2006

INTRODUCTION

On August 31, 2006 BP Exploration (Alaska) Inc. (BPXA) received two contractor employee complaints through the HSE FAST Committee. The complaints alleged that a contractor employee had stopped a work activity on a pipeline in the EOA because he felt that it was unsafe to continue work at this location. The contractor employee also indicated that his supervisor had continually harassed him and others for this and other similar behaviors. He wanted to know if BPXA's policy of "*safety first*" had changed.

An investigation was initiated and conducted between September and November 2006. This summary report provides a description of the results of the investigation, presents some of the supporting documentation to help understand what actually occurred, and includes a conclusion relative to the two FAST Concerns. The results of the investigation were reported to BPXA management on November 30, 2006. Several discussions with Acuren management were held over the past several months to discuss the investigation and proposed corrective actions. This report provides BPXA with formal documentation of the investigation, results, and conclusions presented in the November 30, 2006 conference call.

More specific discussions regarding the investigation findings and recommendations can be provided. We expect that actions to resolve this situation will be discussed with BPXA and Acuren management.

During the course of the investigation, several other allegations were made by people who were interviewed in this process. These allegations were not all fully investigated in the course of this investigation, but some preliminary work was performed on these matters. Some of these additional allegations have bearing on the facts surrounding the FAST Concerns, and are discussed in this report. The other issues which were identified during the investigation have been identified to both BPXA and Acuren verbally and in a separate letter.

BACKGROUND INFORMATION

The North Slope employee external avenue, Paul Flaherty, was contacted on or about August 26, 2006 regarding the situation that occurred on that day. During that contact, Paul Flaherty was made aware that a concerned individual (CI) employed by Acuren had an issue with the way that a "stop work" situation had been handled by his company. Mr. Flaherty encouraged the employee to speak directly with his Safety Advisor and to use the BPXA HSE FAST Committee if he did not get proper resolution.

On September 7, 2006, Paul Flaherty checked with the contractor employee to see how his concerns had been addressed. The employee informed Mr. Flaherty that he had submitted the two Health Safety & Environment (HSE) FAST Concerns to BPXA, and gave his telephone number so that he could be reached at home. As of that time, the

employee had not yet been contacted by anyone. He was concerned. He said that he knew that his supervisors were asking others to write negative statements about him.

At this point, Paul Flaherty contacted personnel on the North Slope and inquired about any recent FAST complaints. On Friday morning, September 8, 2006, Mr. Flaherty received an email with two FAST Concerns which were dated August 31, 2006. Mr. Flaherty inquired by phone with BPXA management to see what actions were being implemented in response to these FAST Concerns. At that time, no action had yet been taken. Mr. Flaherty was asked by the CI to get involved in the BPXA response. After discussions with BPXA management, Mr. Flaherty commenced an independent investigation into the substance of the concerns.

In preparing for the investigation, the CI stated that he believed others would speak with Paul Flaherty about these concerns. He stated that there was a history of concerns among some of the inspectors that if they spoke with anyone outside the chain of command, they would lose their job. Mr. Flaherty did not challenge that perception, and had some personal familiarity with concerns of retaliation within the CIC group from the 2004-2005 time frame.

Since the CI had not been contacted, the employee asked Mr. Flaherty to look into these issues. Most of the people who agreed to speak with Mr. Flaherty indicated that they would tell him the truth, but were extremely concerned that they would be retaliated against if Acuren management knew that they had cooperated with the investigation. For this reason, BPXA held a meeting with the Acuren employees and management to make it clear that harassment, intimidation and retaliation would not be tolerated for any reason and, specifically, for not cooperating with this investigation.

Methodology

Paul Flaherty conducted an investigation into these allegations with the assistance of Billie Garde.¹ Mr. Flaherty and Ms. Garde conducted interviews and several field visits to investigate the allegations contained in the FAST Concerns. They also conducted numerous telephone interviews with Acuren employees and other employees having direct information or firsthand accounts of the situation. In addition, they reviewed documentation to determine if there was objective information that either supported or refuted some of the particulars that surrounded these allegations. This work included the

¹ Mr. Flaherty asked Ms. Garde to assist him for several reasons. First, she has extensive expertise in the area of worker retaliation and is very familiar with the North Slope work environment. Secondly, the supervisor who was the subject of the FAST Concerns took initiative to contact Ms. Garde through the external 800 number for assistance in managing the situation.

The files reviewed included those provided on the Slope (approximately 15 files) and another group of files selected by Acuren management for review in the Anchorage office. Files requested for review were for all employees who were disciplined for a similar type of conduct that management had asserted formed a legitimate basis for its conclusion that the CI was a safety risk and engaged in a history of unsafe acts.

review of a sample of MIMIRs (i.e., the software program used to archive corrosion management data) with the help of the Corrosion Engineering Department, as well as the review of certain PMP information. Finally, Ms. Garde also reviewed the Acuren personnel files of the group that conducts corrosion inspections on the North Slope, of which the CI was a member.

These allegations were investigated largely through personal interviews with crew members and Acuren supervisors, as well as a review of Acuren personnel files. These files were requested through discussions with the investigators and Acuren management. Ms. Garde performed this review after signing a confidentiality agreement prepared by Acuren attorneys and approved by the by BP Legal Department.

Investigation Findings

The FAST Concerns

The two August 31, 2006 FAST Concerns are quoted below and included as Attachment A:

FAST Concern -0215 "Stopping A Job":

A technician was visually inspecting a line and noticed some mechanical damage in the same area that buffing and grinding was taking place. Technician felt it was unsafe to continue this work and stopped the job. He informed his supervisor that he stopped the job due to his concerns. Technician was told that it was not appropriate for him to stop the job. Technician is concerned and wants to know if there is a new policy that prevents anyone from stopping a job they feel is unsafe.

FAST Concern 0216 "Production vs. Safety":

I have had concerns with my supervisor always harassing me and other fellow employees, intimidating us about our production and numbers. The way I understand BP's position on this subject is Safety, Quality and lastly Production. I have been harassed on several occasions about my production by my supervisor. I feel that my integrity and work ethics are outstanding. I am tired of hearing conflicting communication from upper management about doing work with Safety, Quality and Production being our focus; and then one discussion at the end of day being harassed about production. I have talked to his supervisor and have seen no results, only lip service. This is the opinion of several people on our crew and I strongly feel that this is a safety issue with the stress it causes.

The CI who submitted the FAST Concerns did not seek confidentiality and is known to both Acuren and BPXA managers. For purposes of this report, however, he is not referred to by name. Names have been replaced with titles or other references.

The FAST Concerns were assigned to BP Leads. The Concern was logged and scheduled to be addressed at the next weekly meeting, but the CI was off Slope and was not contacted immediately.

Relevant Employment Background of the CI

The employment history of the CI is relevant to understanding the facts of the 2006 situation, and is summarized here. In February 2004, after only one day on the job, the CI was originally hired, then fired shortly thereafter by Acuren (then Canpsec). (Technically his start date was February 18, 2004 and the official termination date identified in his personnel file is February 29, 2004.) At the time of the 2004 termination, the CI called the external "hotline" avenue with the concern that he was terminated for self-reporting a minor accident. Mr. Flaherty investigated this concern in 2004, and determined that the CI was terminated for going outside Canspec's immediate chain of command by reporting that he had accidentally, lightly bumped the bumper of another truck while backing up a vehicle. At the time of the event, the CI immediately reported the incident to another contractor's safety officer who had just finished his orientation training. This safety officer was not a Canpsec employee.²

Eventually, through discussions with senior Canspec management and after the completion of its own investigations, Canspec re-hired the CI.

The CI returned to work in July 2004. He was not welcomed back with "open arms." In fact, the supervisor that fired the CI, wrote a memo regarding the CI. In it he clearly set forth his own negative opinion of the CI. The supervisor suggested that further adverse action, i.e., "sending him home" would be appropriate since he felt that the CI was acting as if he were entitled to "preferred" treatment.³ The memo from this supervisor (NS1) was still in the CI's file when it was reviewed during the investigation. (It is worth noting that eventually NS1 was fired by Acuren management for inappropriate conduct in the summer of 2005.) The CI's current supervisor, first line manager (FSL1), and the second line manager (SLM), worked under NS1, both at the time of his first termination and in the fall of 2004, upon his return.

² It is important to note that in the 2004 investigation, Mr. Flaherty encountered substantial fear of retaliation by the workforce; and had to go to great lengths to get Canspec employees to share their observations with him about the incident and what happened. Nearly all interviewed indicated that they would deny that they spoke with him [if Mr. Flaherty mentioned they had spoken with him] for fear of reprisal and the loss of their job.

³ Shortly after his return to work in October 2004, the supervisor sent an e-mail to the SLM, discussing the need to transfer the CI to Endicott "...as we need to put distance between him & us," and goes on to state:

"I believe that we are in a lose/lose situation with [CI] as he is more permanent here than any other Tech (or you & me). I have spoken to HR (name), and he figures we need to do whatever we have to do to make [the CI] successful....I am lost on what to do with this guy other than just have him sit at home and pay him....we would probably be better off as the folks here are not blind as to his preferred treatment."

Shortly after his return, there was a flurry of activity in writing him up for what appears to be minor issues regarding the CI. Acuren management disputes the characterization of these issues as "minor." For example, on October 3, 2004, there was a *Memo to File* about the CI "running 30 feet" to his truck and skipping the "360 inspection". On November 9, 2004, there was a *Memo to File* about the CI oversleeping. On November 14th he was counseled about not attending a safety meeting. Based on interviews and the personnel files provided to the investigators, similar conduct does not appear to be the subject of write ups in the files of other inspectors, i.e., peers of the CI..

The Pencil-Whipping Technician/Allegations

Sometime during the winter of 2005 - 2006, the CI was working with another technician, T-1. The CI indicated that he witnessed T-1 "pencil-whipping" some inspections, and that he told that to both T-1 and Acuren management. Contrary to the CI's statements, Acuren management indicated that the first they had heard of an issue with T-1's work ethic or "pencil-whipping" was in August 2006. Other interviews indicate that management was told of this problem at least 6-9 months prior to August 2006.

In several interviews, information indicates that a poor relationship existed between the CI and T-1 for at least six months. Also, several people interviewed indicated that they heard (FSL1) state that he was keeping the two working together in hopes that they would "get into a fist fight and he could fire them both".

On August 22, 2006, the CI, along with T-2, T-3 and T-4, were working with T-1. In separate interviews, the CI, T-2, T-3 and T-4 indicated that T-1 had finished his work too quickly to be credible. They reportedly confronted T-1 while he was still at the job site, after they had inspected the locations that T-1 had been assigned. They provided handwritten notes of T-1's measurements and the measurements that they determined upon re-inspection. They checked four of his locations, confirming the readings at one location, but finding corrosion in the other locations where T-1 reportedly did not. They gave their inspection results to T-1 directly as proof that their concerns were accurate. T-1 then reportedly got nervous and submitted the corrected information. By independently checking the MIMIR database, the date and locations were confirmed and the data was almost identical to what the technicians provided in handwritten form. T-1 was not interviewed regarding the allegations mostly because he was not on the Slope at the time of our visits. In addition, this was a peripheral issue to the FAST Concerns being investigated. The pencil-whipping allegation requires management's direct involvement and action. We conducted some background work to determine if the main facts related to the allegations were verifiable in the corrosion management archive systems (i.e., MIMIRs).

The next day (August 23, 2006), T-1 and possibly one or two other workers went to FSL1 to complain about the CI, and indicated they did not want to work with the CI. This was confirmed by several independent interviews with management and crew members. It is also clear that several other crew members either heard or became aware

of the statements to the FSL1 about the CI. These technicians advised the CI, and a group of them went to the FSL1 to indicate that the CI was not the problem. Rather it was T-1 that no one respected or wanted to work with because of his work ethic. There is no contemporaneous documentation about these events in the files of either T-1 or the CI, although the interviews converge on the main facts identified above.

The August 25, 2006 Incident

On August 25, 2006, a contractor working on the FS1/ALPS line approached the CI and asked him if he thought that there was a problem with him working on damaged pipe. The CI indicated that he believed there was mechanical damage, and that it would be unsafe for the work to proceed until the damage was evaluated and, if necessary, repaired. Based on this concern, the CI stopped work on the job.

These facts were independently confirmed by CI, another technician, and a separate contractor who was on the job site, and also confirmed with FSL1. In addition, the BP repair log and investigation report confirms the damage, the location, and the date⁴ (See, Attachment B).

The Initial "Hot Line" Complaint

On August 26, 2006, the CI contacted the employee 1-800 external avenue to advise the "stop work" issue that had occurred. Mr. Flaherty advised the CI that interference with the independent exercise of judgment with respect to a stop work order was not appropriate and suggested that he should mention the situation to his management and the Safety Advisor. Mr. Flaherty suggested that if the issue did not get an appropriate resolution, that the FAST Committee would also be an appropriate avenue.

On August 27, 2006, it was reported that FSL1 was making wisecracks about the CI "taking notes at a morning meeting," implying that there was something wrong with the CI's behavior in doing so. This was generally confirmed by other interviews, but the exact statements and situations were not specifically verified in other interviews. It was confirmed through other interviews that FSL1, as part of his style, routinely made wisecracks or negative comments in front of others about employees. While some employees did not mind his conduct and found it humorous, others were offended and saw it as inappropriate and unprofessional. A number of examples were repeated to the investigators during the interviews.

⁴ There is a material dispute between what FSL1 stated in his interview regarding the identification of the issues, and what the CI claims occurred. During his September 8, 2006 interview, FSL1 acknowledged that when the call came in from the CI, he asked the CI to describe the condition he was observing on the pipe. Based on the description he heard, he assumed that the damage was a common pipe lamination. He agreed that he told the CI it was not his job to stop the job, and that he did so on the basis of the belief that the damage was a minor issue of lamination. He did not go and look at the damage at the time that the telephone call took place.

The August 28, 2006 Safety Meeting

On August 28, 2006, the CI met with the Safety Advisor before the morning safety meeting. Independent interviews confirm that the CI met with the Safety Advisor and provided him with a draft of the HSE FAST Concerns that the CI had written up. The CI asked the Safety Advisor to read the FAST Concerns verbatim at the meeting and to discuss them at the meeting. He did so because he felt it was very important to clarify stop work authority and responsibility. However, the issues were not discussed at the meeting. After the meeting, the CI took the draft FAST Concerns back from the Safety Advisor. This situation was confirmed in an interview with the Safety Advisor

Also at the August 28, 2006 Safety meeting (or shortly after the meeting), an issue that the CI had previously raised with FSL1 about the quality of drinking water was brought up by FSL1. The CI reportedly asked the Safety Advisor whether the information FSL1 had provided to the CI was correct. The Safety Advisor gave the CI information that contradicted FSL1's prior representations to the CI.

According to the CI, after this interaction, FSL1 reportedly got angry and confronted the CI when he emerged from the meeting. He is alleged to have told the CI "that's it" and stormed off. These events would have occurred at or about 7 and 8 a.m. While there appeared to be no direct witnesses to this specific interaction, several interviews with other employees indicated that they routinely witnessed the CI being harassed by FSL1 on other occasions.

A review of the CI's personnel file indicates that mid-morning on August 28, 2006 (i.e., after the Safety Meeting), FSL1 either sent an email or called people requesting that he be provided with any safety concerns or issues they had with the CI.⁵ FSL1 acknowledged that he sent the emails after he learned that the CI was going to submit the FAST Concerns.

The Ladder-Climbing/ Pipe Inspection Assignment

Because no action had been taken in response to the concerns the CI expressed, he formalized and submitted the two FAST Concerns the morning of August 31, 2006, his last day of that "hitch." After submitting the FAST Concerns to the Field Manager's

⁵ On August 28th, at 10:28 a.m., the MTE Coordinator sent an e-mail to FSL1 recounting a "small interaction (discussion)" he had with the CI regarding his doing a job preparation. He summarized the alleged safety concerns he had for the CI's work habits which potentially could result in safety risks to himself or others. FSL1 forwarded the e-mail to the SLM two minutes later, at 10:30 a.m., describing the interaction as a "confrontation." At 10:35 a.m., FSL1 sent an e-mail to the SLM explaining the incident between the technicians and the CI on August 23, and the fact that he was unsuccessful in getting anyone to write anything down about it; as well as his own confrontation with the CI over a chalk line. FSL1 confirmed during his interview that these e-mails were sent following a discussion with the SLM and a request for him to gather written documentation regarding the CI. Since the CI's original personnel file disappeared during the investigation, it is impossible (without going into the FSL1's computer files) to determine whether the request was in writing or verbal. However, the FSL1 confirmed in his interview that he requested the information.

administrative assistant, he went to work with another crew member (T-5). They reviewed their work packages together and, based on statements in the work packages, determined that the job would require some difficult climbing. They were both very tired and worried about proceeding with the job. The documentation required ladders and climbing on the pipe. In light of the fact that it was a “fly day,” they declined to work on a portion of the package marked ladder work. Through the chain of command, they informed their supervisor that they did not feel safe doing the high ladder work. They then proceeded to another location and started working on packages that did not include high risks.

Later that day, the team was called on the phone and told to meet FSL1 at the locations where they decided not to work, i.e., the ladder locations. The CI and his work partner (T-5) indicated they were “beat tired” and were going to stop work. In separate interviews it was confirmed that they called the Safety Advisor and told this person of the situation. They were told by the safety advisor to “come on in” and “call it a hitch.” Nevertheless, after a subsequent radio discussion with FSL1’s single point of contact, they agreed to meet him at the ladder locations and review the status of the jobs.

The Water-Jumping Event

Early in the afternoon of August 31, 2006, the CI, T-5 and T-6 met the FSL1 at the location. In order to reach the job location, they needed to traverse a pipe rack and other hazards to get to the ladder work package locations. By all accounts it is a difficult traverse to get to the work inspection location. On the way back to the truck from the work package location, the CI acknowledges that he took a different route and, rather than climb the pipe rack again, he jumped over a puddle/small stream.

The CI indicated that after he did this, FSL1 told him that he’s “given him ammunition” on him now. Others indicate that the CI got angry at FSL1 for his statement, and confirmed that FSL1 made the statement after the CI jumped over the puddle. Numerous crew members felt it was a bit ridiculous for FSL1 to make a big deal over jumping over the puddle, because nearly everyone on this North Slope job has to jump over a puddle now and then. FSL1 claims that he told the CI not to jump before the CI jumped, but there is no further substantiation from the interviews for that instruction other than from the SLM, who was not an eyewitness to the events.

After this event, the CI went back to his camp to prepare for his departure off the Slope. One of the witnesses to the puddle jumping event (T-5) was subsequently called into the Supervisors’ office, with the SLM and FSL1 present. T-5 was asked to write-up the puddle-jumping event, indicating that he heard FSL1 tell the CI not to jump before he jumped. The employee (T-5) never wrote such a statement. He said that he and other employees were very concerned that they were being singled out to write something negative about the CI, and that they would lose their jobs and possibly be blackballed. (Several employees related that “blackballing” had happened in the past to corrosion inspectors over the years. Most claim that this practice was directed by the previous

BPXA Corrosion Manager; but they acknowledged they could not prove that he made the decision.)

The Decision To Propose Termination of the CI

Between August 31, 2006 and September 7, 2006, the CI's file indicate that there was an active process underway by FSL1 and the SLM documenting the CI's "unsafe" water jumping and other behaviors. The CI also received several calls from other crew members on the Slope indicating that management was "setting him up to be fired". Other crew members indicated concerns that they would be harassed if they told the truth, and supported the CI against management's accusations.

Subsequent interviews with Acuren management confirm that, during this time frame, the SLM had made a determination to terminate the CI, and was in the process of presenting that decision to Anchorage management. The alleged legitimate business reason provided for his termination was because of the CI's bad safety record, with the "water jumping" incident being the final straw. However, according to Acuren's Anchorage based manager, the SLM did not have the authority to make that decision on his own.

The SLM (FSL1's supervisor) also indicated that when he found out on the night of September 8th that the issues had been raised through the hotline, he knew that they could not terminate the CI as planned.

The "Hot Line" Investigation Begins

On September 7, 2006, after checking with the CI to determine if his issue had been resolved appropriately and finding that he had not yet been contacted, Paul Flaherty inquired with North Slope management to see if a FAST Concern had been received. .

On September 8, 2006, Mr. Flaherty received the FAST Concerns from North Slope administrative assistant, and contacted the Prudhoe Bay Field Manager, and BP's North Slope Maintenance and Reliability Manager, to begin the investigation and arrange for BP intervention. The intervention process was also discussed with Ms. Garde, the Field Manager, and BP's Integrity Manager. A letter was prepared from the BPXA President to Acuren management, indicating that harassment, intimidation and retaliation would not be tolerated by BPXA (Attachment C). BPXA and Acuren also arranged a meeting with Acuren employees and management to discuss the FAST Concerns and the process for investigating the concerns.

The September 9, 2006 Acuren meeting

On the evening of September 8, 2006, Mr. Flaherty received an 800 number call asking for a means to contact Ms Garde, which he provided. Ms. Garde then conducted a phone interview with FSL1 later that evening, during which FSL1 acknowledged that he

told the CI “it was not his job to stop the work of another contractor.”⁶ FSL1 also acknowledged that he did not go to the pipe location to see the damage. Based on the description provided by the CI, he believed it was just a manufacturing anomaly, i.e., “a lamination,” that they run into all the time, and was sure that there was no safety issue associated with it. The BPXA repair memorandum on the damage contradicts this conclusion, although it is not central to the investigation.

On September 9, 2006, a meeting with the Acuren crew on shift at shift change was held. During the meeting the BPXA President’s letter was handed out to the crew. FSL1 addressed the crew and indicated that it was “a communication misunderstanding” between him and the CI. He did not intend to imply that someone could not or should not “stop a job” if they believed it was unsafe. There were mixed reactions to the meeting. Some employees regarded FSL1’s statements as very hard admissions and sent a strong message to the workforce about their freedom to stop work. Those involved in the incident itself believed that FSL1 had inaccurately described what happened in a way to make it sound like a misunderstanding as opposed to a direction to not stop the work.

The BPXA and Canspec Contract

The BPXA/Canspec Contract provides for a billing schedule that includes labor costs, independent of production, but is also based on unit rates. The contract sets forth that payment will be made in accordance with the payment schedule specified. In addition to the contract terms, employees advised us that there were a minimum number of inspections required pursuant to an order from the Department of Transportation. These factors were cited by several employees as creating underlying pressure in the workplace to complete a certain number of inspections per day, or per week, which would be used to measure personal performance.

The Evidence of Retaliation

Acuren North Slope field management stated that they had decided to terminate the CI’s employment after the “water jumping” incident. FSL1 stated that he was not the decision-maker, but was aware that there were discussions on termination between the two SLM’s. The recommendation for termination had to be approved by Acuren management in Anchorage, thus there was a need for the SLM’s to justify the CI’s safety performance.

As explained to the investigators, the basis for the decision to terminate the CI was the result of his poor safety performance and record, with the “water jumping” incident being the “final straw.” In order to determine whether this explanation was credible or pretextual, the CI’s personnel file was reviewed, along with the files of other similarly situated employees.

⁶ In a subsequent interview of FSL1 by Billie Garde, he changed his explanation and claimed it was a misunderstanding by the CI, and that FSL1 did not mean that the CI did not have the authority or responsibility to stop an act that he thought was unsafe.

The file review revealed the following relevant information to a determination on whether retaliation was a factor in the decision:

- 1) The CI's safety record contained references to safety incidents:
 - 2004 Incidents

As stated above, the CI was terminated in February 2004. He was rehired in July 2004. Almost immediately upon his return, he was counseled about alleged safety and work violations. Between his return in July and November 18, 2004, there were several e-mails documenting actions of the CI. He was then given a counseling memorandum for reporting late to work twice in a two week period, for allegedly running across a slippery parking lot, and for driving away without performing a 360 check.

There were no similar write ups for other employees for either tardiness or running across a slippery parking lot, although interviews and the personnel records of other employees indicate these events happen on a regular basis. While they may be the subject of discussion, they are not the subject of formal counseling, written reprimands, or discipline.

The CI rebuts the specific incident. CI reports that he was walking fast and not running. This is one of the events that he feels is evidence of them "bird-dogging" him. He also felt that he was being singled out by management to create the impression that he is not safe. He said that he takes safety extremely seriously, especially walking on slippery surfaces. When he was younger and working on the Slope, he did slip and fall hard once. That event, well over ten years ago, resulted in his hurting his back and head⁷.

- 2006 Incidents

On January 27, 2006, the CI received a written warning regarding Careless Driving from the alternate of the SLM or SLM2. The warning was for running across the parking lot in slippery conditions; and for pulling out of the MCC fuel island area in a manner that "cut off" the HSE Managers' approaching vehicle, which caused him to "brake heavily and avoid a collision." The CI signed this letter of warning, but stated that he did not feel that the situation was accurately described by the HSE Manager.

On February 6, 2006, the FSL1 wrote an e-mail to the file regarding the CI "rushing" at work, which resulted in him falling over a radioactive camera box that had been left in a door way. The CI rebuts this incident, and indicated that he believes that he was setup by T-1 and the FSL1. He believes this because he said that another employee had put the camera box in the doorway, and both that employee and the FSL1 were watching the CI as he traversed through the doorway and stumbled over the camera box. Although the CI provided credible rebuttal information at the time to the SLM, the personnel file indicates that the FSL1 was asked to "keep him under watch." While there

⁷ Acuren management reports that the CI stated that there are times it is okay to run across a parking lot and that 360 walk arounds are a waste of time.

were other employees with more serious safety violations, no other file indicated an employee should be kept "under watch".

Several witnesses interviewed also agree that the FSL1 and other managers "bird-dogged" the CI on a constant basis, holding him to a different standard than other more favored employees. One witness did comment that the CI was "different," that he rushed too much, that he was difficult to work with, and was not well organized. The CI acknowledged to a degree that he occasionally had some issues with organization, but he stated that most of these situations were due to the harassment and stress that the Acuren management staff was constantly applying to him.

2) Other comparative safety records

A review of the employment files of other similarly situated employees reveal that, while some employees had greater safety violations and records than the CI, they were not subject to the same type of "bird-dogging" and record keeping. For example, the files reviewed indicated letters of counseling placed in the files for failure to lock a radiation source exposure device (F-3); for watching DVD's or playing videogames in the work truck (F-4)(F-9); and for a significant traffic incident in which an employee fell asleep and ran off the road, doing property damage to the vehicle and receiving a traffic citation (F-6). None of these employees were terminated for safety issues. The only termination provided was that of an employee who mishandled, on a repeated basis, nuclear radiation devices (F-13).

In addition, like the CI, there were several minor traffic notations and employees not being at work on time, i.e., taking extended lunch hours vs. the CI's oversleeping incident.

3) Other indicators of retaliation – timing of disciplinary action

The personnel record indicates that on August 28, 2006, within hours of the CI showing the draft of the FAST Concern to the Safety Advisor, FSL1 began to create a record of recent alleged "safety issues" regarding the CI. According to interviews, FSL1 met with the SLM after he was made aware of the FAST Concern. During that meeting the SLM asked FSL1 about "recent" safety complaints about the CI. He had not told him about the alleged incidents before FSL1 learned of the FAST issues. The FSL1 told the SLM of the complaint of several days earlier from T-1, and the SLM told FSL1 to collect the information in writing. FSL1 then sent an email and/or contacted others and collected complaints about the CI that he apparently had been aware of before the FAST Concern, but which he had not been concerned about.

Specifically, at 10:28 a.m. on August 28, 2006, another employee, who was a PIRATE (a behavior-based safety program on the Slope) facilitator, wrote a summary of an alleged "small interaction" with the CI over his allegedly not taking time to "do a prep" for job safety. At 10:30 a.m., FSL1 forwarded it to the SLM.

At 10:35 a.m., FSL1 sent another e-mail recounting the August 23rd incident between T-7 and the CI, and identifying another discussion about using chalk marks. There are other accounts from those interviewed that the supervisors attributed these requirements to DOT inspectors. However, we did not speak with the DOT inspectors.

There is no evidence that either of these issues was discussed with the CI as a form of counseling or discipline prior to being included in his personnel file. Nevertheless, a document in the CI's personnel file indicates that the collected information, including the 'puddle-jumping incident' was compiled in one document. This, allegedly, was to support the basis for the termination recommendation from the Slope management to Anchorage based management.

As previously discussed, these incidents do not rise above other similar employment issues and records to support the proposed personnel action. In light of the legal and policy-protected activity of the CI in writing the FAST Concerns and in contacting the "hot line," the investigation concluded that the action proposed was in response to the initiation of the FAST Concern and the general hostility towards the CI for his contacts with the hotline.

It is important to note that, in the vast majority of interviews with technicians, each person interviewed indicated that the CI was likely to be the most careful technician on the Slope with respect to safety and quality of his inspections. Many indicated that this characteristic was also a reason why he could be difficult to work with and why his production numbers may be lower than others. Several interviewees indicated that if there were corrosion in existence in the CI's work packages, then he would find it.

Additionally, the FSL1 indicated in the interviews that he "liked" the CI and that he was one of his best inspectors. Although he was a little odd in his mannerisms, he was very safe, and FSL1 felt like he was "protecting" him. This is inconsistent with the record. The written records indicate that he was actively working to develop documentation which indicated that the CI was unsafe, and supported the action to terminate employment due to safety concerns. There is no documentation to support the notion that FSL1 was trying "to help" the CI.

CONCLUSION

A review of the information accumulated indicates that there is substantial evidence to confirm that the allegations made in both FAST Concern submittals did take place.

FAST Concern # 2015:

A technician was visually inspecting a line and noticed some mechanical damage in the same area that buffing and grinding was taking place. Technician felt it was unsafe to continue this work and stopped the job. He informed his supervisor

that he stopped the job due to his concerns. Technician was told that it was not appropriate for him to stop the job. Technician is concerned and wants to know if there is a new policy that prevents anyone from stopping a job they feel is unsafe.

This Concern is substantiated. The technician was told it was not appropriate for him to stop the job. This instruction was contrary to both BP and Acuren policies, which states that technicians are supposed to stop any job that they feel is unsafe.

FAST Concern # 2016:

I have had concerns with my supervisor always harassing me and other fellow employees, intimidating us about our production and numbers. The way I understand BP's position on this subject is Safety, Quality and lastly Production. I have been harassed on several occasions about my production by my supervisor. I feel that my integrity and work ethics are outstanding. I am tired of hearing conflicting communication from upper management about doing work with Safety, Quality and Production being our focus and then one discussion at the end of day being harassed about production. I have talked to his supervisor and have seen no results, only lip service. This is the opinion of several people on our crew and I strongly feel that this is a safety issue with the stress it causes.

This Concern is substantiated, as follows:

- (a) Harassment and intimidation of the CI and other technicians.

The interviews with crew members confirm that the CI was, in their opinion, subjected to workplace harassment and intimidation by Acuren management. Management denies excessive pressure on the CI, and acknowledged that the quality of his work was excellent.

During the course of our interviews, several other crew members indicated that they had also been the subject of harassment by both FSL1 and the SLM. (These issues were not specifically investigated, but considered as part of the work environment situation that crew members reported. It was the view of the investigators that the issues regarding FSL1's behaviors were identified throughout this report, and no additional investigation was necessary.) Many also noted that they observed the manner in which the CI was treated by management, and it was obvious that they were harassing him. This harassment included giving him difficult work packages, some public ridicule, and making comments about low production numbers and other similar conduct. These actions occurred even though both FSL1 and the SLM had been through training provided by Ms. Garde to create awareness and prevention of harassment, intimidation, retaliation and discrimination (HIRD). FSL1 acknowledged during his interview that his actions towards the CI were inconsistent with the training provided; and that he recognized that in hindsight.

(b) Stress caused by pressure of safety over production

With respect to alleged low production numbers, we did review a copy of the Acuren contract document. Within this document, there is an incentive for high inspection numbers and a 25% fee that is tied to production numbers. Acuren management indicated that they did stress production, but also stressed that safety and quality were first. However, many of the people interviewed indicate that they felt pressured for production ahead of safety and quality.

There appears to be an element of favoritism involved in this issue. Some of those interviewed indicated that they do not feel pressured for production numbers. It also appears that this group is represented by employees who have a personal relationship with FSL1 and feel he is a good supportive manager. Observations from this review indicate that these statements are true for a portion of the workforce. However, there are other members of the workforce that feel this supervisor "plays favorites", and antagonizes those that he does not personally like or could control.

Several witnesses confirmed that they felt there had been excessive pressure put on the technicians, beyond the CI, to meet production goals. Management acknowledges that there are substantial pressures to complete the inspection work in order to support the DOT timetable, but denies that the schedule pressure has affected the quality of the work.

ATTACHMENT A

AUGUST 31, 2006 FAST CONCERNS

Type Concerns **HSE #** **FAST-0215** **Date Received:** 8/31/2006 **Delegated To** Jim Barrett/Darrell Shanholzer
Description Stopping a Job **Contact** **Action Status** Pending

Incident Description

A technician was visually inspecting a line and noticed some mechanical damage in the same area that buffing and grinding was taking place. Technician felt it was unsafe to continue this work and stopped the job. He informed his Supervisor that he stopped the job due to his concerns. Technician was told that it was not appropriate for him to stop the job. Technician is concerned and wants to know if there is a new policy that prevents anyone from stopping a job they feel is unsafe.

Invest Findings/Action Taken

Assigned to Barrett/Shanholzer. (8/31/06) Still in progress (9/7/06)

Type Concerns **HSE #** **FAST-0216** **Date Received:** 8/31/2006 **Delegated To** Jim Barrett/Darrell Shanholzer
Description Production vs. Safety **Contact** **Action Status** Pending

Incident Description

I have had concerns with my supervisor always harassing me and other fellow employees, intimidating us about our Production and numbers. They way I understand BP's position on this subject is Safety, Quality and lastly Production. I have been harassed on several occasions about my production from my supervisor. I feel that my integrity and work ethics are outstanding. I am tired of hearing conflicting communication from upper management about doing work with Safety, Quality and production being our focus and then one discussion at the end of the day being harassed about Production. I've talked to his supervisor and have seen no results, only lip service. This is the opinion of several people on our crews and I strongly feel it is a safety issue with the stress it causes.

Invest Findings/Action Taken

Assigned to Barrett/Shanholzer. (8/31/06) Still in progress (9/7/06)

ATTACHMENT B

BP REPAIR LOG and INVESTIGATION REPORT



Inspection Report

To: Tim Pine, CIC Integrity Assurance Specialist **Date:** 8/27/06
From: Randy Denardi / Brent Skuse
 NS CIC Field Support Specialist
Subject: FS1/ALPS-34 Transit Line Sta. 24+61A,014' MFG Defect **PMP#** 06-338

Introduction

Visual inspection of the FS1/ALPS-34" Transit line has revealed an imperfection in an expansion loop elbow consistent with a manufacturing process defect.

Photo reference of MFG Defect in piping



Summary information

F-Rank

Facility.....FS-1/Field
 Equipment ID.....FS1/ALPS-34
 Insp ID-..... 24+61A, 014'
 Diameter.....34"
 Description... ..Elbow

Failure Criteria

- Code failure / Gouge defect, reference B31.4 Chapter V, VI, & VII

Observations:

Visual observation has revealed a significant anomaly consistent with defects associated with the manufacturing process. Overall visual length is approximately 4" with a distinctive flap protruding from the outside radius of the elbow. The noted defect (surface lap) has properties similar to a gouge in that it contains sharp imperfections. As such, the defect requires repair in accordance with ASME B31.4 Chapter, V, VI, & VII.

Material Information:

The material design specifications for the subject item as follows:

- Design Code- B-31.4
- Pipe Size- 34"
- Material – API 5L X60
- Design pressure- 550 psig
-

*Note: Material information derived from the PRB Pipe Line Summary (SUM-MP-00-00001-201)

Recommendations:

- Request assistance/guidance from Technical Authority regarding desired way forward.
- CIC recommends treating these defects as a gouges, thus repair or replacement action in accordance with governing code ASME B31.4.-2002 :

Chapter VII, Operation and Maintenance Procedures

451.6.2 Disposition of Defects

(a) Limits and disposition of imperfections

- 1) Gouges or grooves shall be removed or repaired in accordance with paragraph 451.6.2 (b)

(b) Allowable pipeline repairs...reference 451.6.2(b) repair methods 1-14

- Perform NDE accordingly based on TBD repair methodology

Final repair action will be determined at the discretion of Technical Authority, Engineering, Operations and the Mechanical Integrity QA Specialist.

Supporting Attachments:

- Supporting Photo's.... (Page 3)
- Pipe line drawing PLD-1000-014 Sheet 222... (Page 4)

If you have any further questions about this inspection report, please call Randy Denardi at 659-5225.

Respectfully,

Randall Denardi

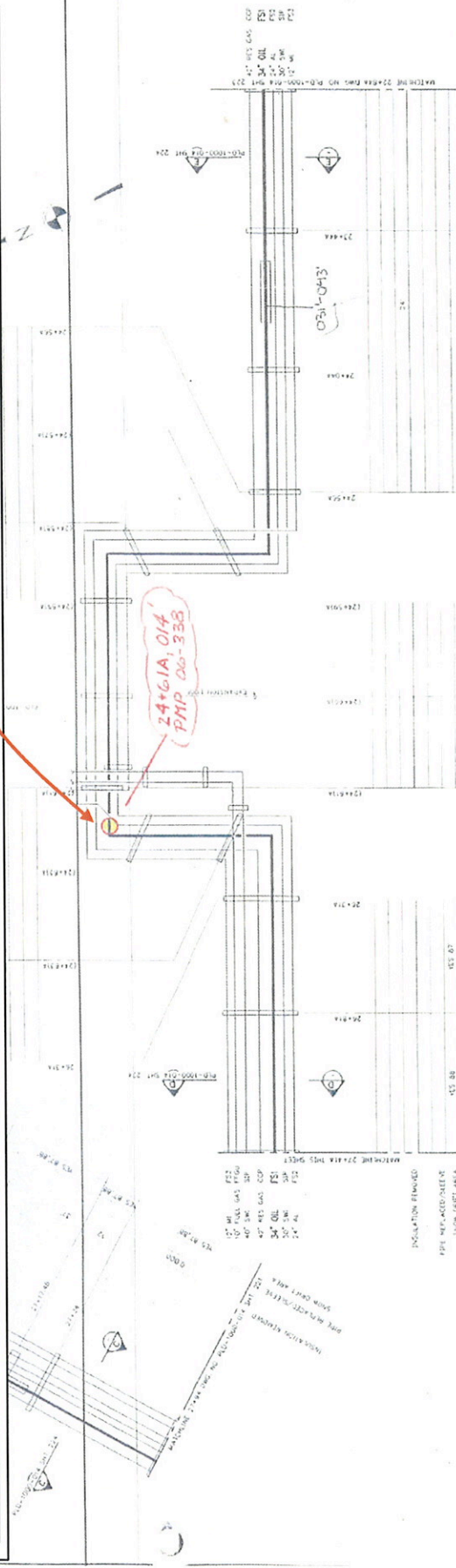
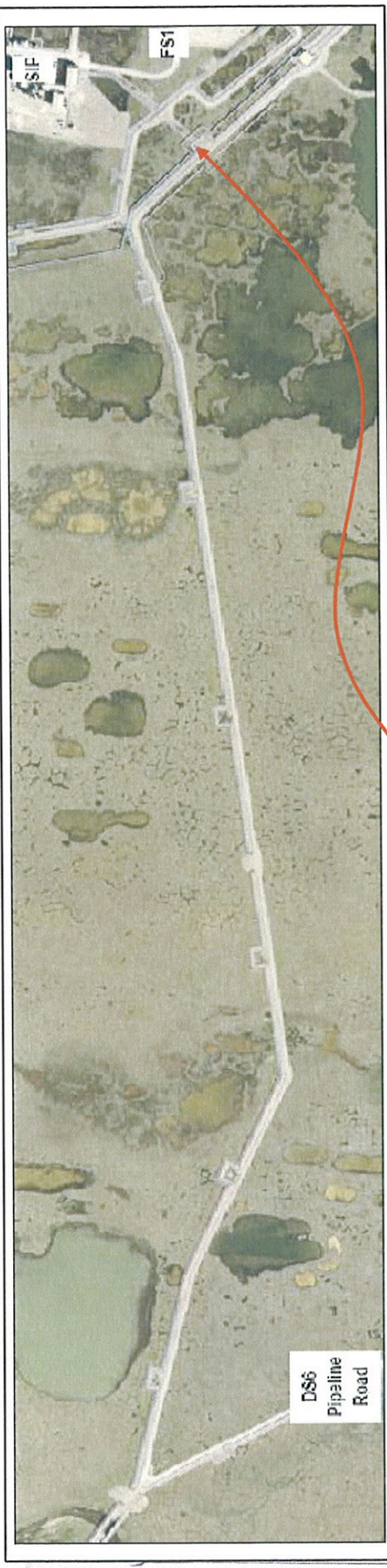
Alternate- Brent Skuse

CIC. Field Inspector

Phone- X-5225, Pager 4236-318

Photographic Reference





ARCO Alaska, Inc.
 SUBSIDIARY OF ARCO AMERICAN ENERGY

PIPELINE CORROSION EXAMINATION / REPLACEMENT 34" OIL FS1 TO TAPS

PROJECT NO. 24-00000-01-0000-01
 SHEET NO. 24-00000-01-0000-01-001
 DATE: 10/20/09
 DRAWN BY: J. H. BROWN
 CHECKED BY: J. H. BROWN
 APPROVED BY: J. H. BROWN

NOTES:

- PIPE HAS BEEN RECONSTRUCTED (CLEANED/PRIMED/PAINTED AND REINSULATED). INSULATION REMAINS IN PLACE UNLESS OTHERWISE NOTED.
- REMAINING PIPE RECONSTRUCTED 580 PPS D2268A.
- 34" LINE HAS BEEN DEGRADED ONE BEARING.
- NECESSARY IN THIS AREA TO REPAIR THE LINE AS PER D2268C.

FIELD SHEET DWS

DATE: 10/20/09
 TIME: 12:00 PM
 LOCATION: 24-00000-01-0000-01-001

LINE NO.	LINE TYPE	LINE SIZE	LINE MATERIAL	LINE STATUS	LINE LENGTH	LINE DATE
24-61A	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61B	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61C	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61D	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61E	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61F	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61G	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61H	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61I	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61J	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61K	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61L	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61M	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61N	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61O	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61P	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61Q	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61R	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61S	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61T	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61U	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61V	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61W	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61X	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61Y	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09
24-61Z	PIPELINE	34"	CS	REPAIRED	1000'	10/20/09

444BP Exploration (Alaska) Inc.
 Corrosion, Inspection, Chemicals Group

ATTACHMENT C

**BPXA PRESIDENT'S LETTER
Dated September 8, 2006**



Steve Marshall
President, Alaska



BP Exploration (Alaska) Inc.
900 East Benson Boulevard
P.O. Box 196612
Anchorage, Alaska 99519-6612
(907) 564-5422

September 8, 2006

To: All Acuren Workers

I have today become aware that some workers may not feel comfortable raising health, safety, environment or other concerns they may have about their work environment. I want each of you to know that it is important to me, to BP and to Acuren that you feel free to share concerns without any fear of retaliation or fear of losing your job. You should also feel confident in stopping the job whenever you feel it is unsafe to continue working. This is what we want and expect from all workers.

It is BP's policy and that of its contractors to encourage workers to come forward and express their views and concerns about matters that relate to a safe and environmentally responsible operation. BP will not tolerate threats, intimidation or harassment of any employee who expresses a concern relating to their job or their work environment.

If any of you believe you have experienced retaliation of any kind for raising concerns, or are afraid of retaliation, you are encouraged to contact several resources available to you. These include your company's supervisor or human resources department, the BP HSE hotline (1 888 930 4446), Open Talk (1 800 225 6141), BP's Ombudsman—Judge Stanley Sporkin (1 888 776 7545), or Paul Flaherty (1 866 827 5010). Any worker may also contact me and I will address the concern.

Sincerely,

Steve Marshall

