



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

September 12, 2005

EA-05-108

Mr. Ukrit Siriprusanan
President and Radiation Safety Officer
Geo-Engineering & Testing, Inc.
P.O. Box 8170
Tamuning, Guam 96931-8170

SUBJECT: NOTICE OF VIOLATION (NRC INSPECTION REPORT 030-36590/05-001)

Dear Mr. Siriprusanan:

This refers to NRC's letter dated July 29, 2005, which transmitted the results of an NRC inspection conducted April 20-21, 2005. Our letter informed you that NRC was considering escalated enforcement action for an apparent violation of NRC requirements involving a failure to maintain security of NRC-licensed material, i.e., a portable gauge containing sealed radioactive sources. The results of the inspection were discussed with you during a final telephonic exit briefing on July 19, 2005.

In our July 29, 2005 letter, we provided you an opportunity to address the apparent violation before we made a final enforcement decision by either requesting a predecisional enforcement conference or by providing a written response. In a letter dated August 12, 2005, you informed us that Geo-Engineering & Testing would provide a written response by August 27, 2005. In a letter dated August 31, 2005, you responded to the apparent violation. In summary, you acknowledged the violation, described the reasons for its occurrence (a gauge operator removed one gauge and left the storage shed unlocked for the next operator), and described your corrective actions.

The corrective actions you described in your letter included taking immediate action at the time of the inspection to place locks on the gauge handles and gauge cases, and to secure the lock on the gauge storage shed. In addition, you took subsequent action to install a second lock on the storage shed, with control of the key to the second lock maintained by persons other than the gauge operators. You also discussed this new procedure with gauge operators and office staff.

Based on the information developed by the NRC during its inspection and the information that you provided in your August 31, 2005 response to the inspection report, the NRC has made a final determination that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it were described in more detail in the subject inspection report. Given the importance of maintaining the security of radioactive material, this violation has been categorized at Severity Level III in accordance with the NRC Enforcement Policy.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$3,250 was considered for this Severity Level III violation. Because Geo-Engineering & Testing had not received escalated enforcement action in its two previous NRC inspections, the NRC considered only whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section VI.C.2 of the Enforcement Policy. As discussed above, Geo-Engineering & Testing took prompt action to restore compliance during the inspection and took additional actions subsequent to the inspection to assure that security of NRC-licensed material is emphasized and properly maintained. Thus, the NRC has determined that credit for Corrective Action is warranted. This results in the issuance of a Notice of Violation with no associated civil penalty.

Therefore, to recognize and encourage prompt and comprehensive correction of violations, and in recognition that you have not previously received escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, Geo-Engineering & Testing should be aware that significant violations in the future could result in a civil penalty. In addition, issuance of this Severity Level III violation constitutes escalated enforcement action that may result in increased inspection effort.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is adequately addressed on the docket in your letter dated August 31, 2005. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In addition, the NRC acknowledges your response to the Notice of Violation issued with the inspection report on July 29, 2005. You responded to six Severity Level IV violations in your August 31, 2005, letter. We have reviewed your reply and find it responsive to our concerns. We will review the implementation of your corrective actions during a future inspection to determine that full compliance has been achieved and will be maintained.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Please contact Mark Shaffer of my staff at 817-860-8287 if you have any questions about this letter.

Sincerely,

/RA TPGwynn acting for/

Bruce S. Mallett
Regional Administrator

Geo-Engineering & Testing, Inc.

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Docket No. 030-36590

License No. 56-18173-02

Enclosure: Notice of Violation

Enclosure

NOTICE OF VIOLATION

Geo-Engineering & Testing, Inc.
Tamuning, Guam

Docket No. 030-36590
License No. 56-18173-02
EA-05-108

During an NRC inspection April 20-21, 2005, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 20.1801 requires that the licensee secure from unauthorized removal or access licensed materials that are stored in controlled or unrestricted areas. 10 CFR 20.1802 requires that the licensee control and maintain constant surveillance of licensed material that is in a controlled or unrestricted area and that is not in storage. As defined in 10 CFR 20.1003, controlled area means an area, outside of a restricted area but inside the site boundary, access to which can be limited by the licensee for any reason.

Contrary to the above, on April 20, 2005, the licensee did not control and maintain constant surveillance of licensed material that was in a controlled area. Specifically, the licensee failed to control and maintain constant surveillance of two portable nuclear gauges containing licensed material that were stored in a shed that was unsecured on property controlled by the licensee.

This is a Severity Level III violation (Supplement VI).

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in the letter from Geo-Engineering & Testing, Inc., dated August 31, 2005 (ML052440359). However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," EA-05-108, and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, TX 76011, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

If you choose to respond, your response may be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Dated this 12th day of September 2005

Geo-Engineering & Testing, EA-05-108

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Cain - CLC	Spitzberg - DBS
Donovan - LXD	McLean - MLM1
Campbell - VHC	OEMAIL
Morell - GKM	Michele Burgess - MLB5
S. Merchant - OE - SLM2	M. Schwartz - OE - MES
A. Hayes - OE - ACH2	

SISP Review Completed: Yes/GFS

ADAMS: **Yes** : Publicly Available : Non-Sensitive

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ACES	NMIB	C:NMIB	D:DNMS	RC
SANBORN	DONOVAN	SHAFFER	WERT	FULLER
/RA/	/RA/	R. Brown for	/RA/	/RA/
8/31/2005	9/1/2005	9/1/2005	9/2/05	9/6/05

DRA	RA	D:OE		
GWYNN	MALLETT	JOHNSON		
/RA/	/RA TPGwynn for via E/	C. Nolan via T		
9/8/05	9/12/2005	9/12/2005		

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