



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

REGION IV  
1600 E. LAMAR BLVD.  
ARLINGTON, TX 76011-4511

February 27, 2018

Mr. Gurdip S. Hayre and  
Mr. James A. McElroy  
Hayre McElroy & Associates, LLC  
9644 153<sup>rd</sup> Avenue NE  
Redmond, WA 98052

SUBJECT: NRC INSPECTION REPORT 030-38881/2018-001 AND NOTICE OF VIOLATION

Dear Messrs. Hayre and McElroy:

This letter refers to the unannounced inspection conducted on February 9, 2018, at your facility in Kapolei, Hawaii. The inspection was an examination of activities conducted under your license as they relate to public health and safety, to confirm compliance with the U.S. Nuclear Regulatory Commission's (NRC) rules, regulations, and with the conditions of your license. Within these areas, the inspection consisted of a selected examination of procedures and representative records, and interviews with personnel. The preliminary inspection findings were discussed with Mr. Keith Blazer, the former Radiation Safety Officer, at the conclusion of the onsite portion of the inspection. A final telephonic exit briefing was conducted with Mr. Hayre and Mr. Keith Blazer on February 23, 2018.

Based on the results of this inspection, the NRC has determined that two Severity Level IV violations of NRC requirements occurred. The violations were evaluated in accordance with the NRC Enforcement Policy, which can be found at the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violations are cited and described in the enclosed Notice of Violation (Notice). The violations involved the failure to: (1) maintain use/transfer logs for each gauge possessed in NRC jurisdiction; and (2) limit the use or storage of licensed material to locations listed in the license.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful in preparing your response. You can find the Information Notice on the NRC website at: <http://pbadupws.nrc.gov/docs/ML0612/ML061240509.pdf>. Information regarding the reason for the violations, the corrective actions taken and planned to correct the violations and prevent recurrence, and the date when full compliance will be (was) achieved should be addressed. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

To the extent possible, your response should not include any personal privacy or proprietary information so that it can be made available to the Public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such information, you must specifically identify the portions of your response that you seek to

have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

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

Should you have any questions regarding this letter or the enclosed Notice, please contact Jason vonEhr at 817-200-1186, or the undersigned at 817-200-1182.

Sincerely,

*/RA/*

Michael C. Hay, Chief  
Materials Licensing and Inspection Branch  
Division of Nuclear Materials Safety

Docket: 030-38881  
License: 46-35280-01

Enclosure:  
Notice of Violation (Notice)

Cc: State of Hawaii Radiation Program Director  
State of Washington Radiation Program Director

NRC INSPECTION REPORT 030-38881/2018-001 - DATED FEBRUARY 27, 2018.

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## NOTICE OF VIOLATION

Hayre McElroy & Associates, LLC  
Redmond, WA

Docket No. 030-38881  
License No. 46-35280-01

During an NRC inspection conducted on February 9, 2018, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A) License Condition 19.A of NRC License 46-35280-01, Amendment No. 2, dated December 21, 2017, requires, in part, that the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the application dated October 26, 2015, including any enclosures.

In the application dated October 26, 2015, Item Number 10.6 "Radiation Safety Program - Operating, Emergency, and Security Procedures," requires, in part, that the licensee will implement and maintain the operating and emergency procedures in Appendix G to NUREG-1556, Volume 1, Revision 2.

Appendix G to NUREG-1556, Volume 1, Revision 2, requires that gauge users sign out the gauge in a log book (that remains at the storage location), including the date(s) of use, name(s) of the authorized users who will be responsible for the gauge, and the temporary jobsite(s) where the gauge will be used. The Appendix also requires the gauge user to log the gauge into the daily use log when it is returned to storage.

Contrary to the above, on February 9, 2018, the licensee failed to implement and maintain the operating and emergency procedures in Appendix G to NUREG-1556, Volume 1, Revision 2. Specifically, on February 9, 2018, the licensee had seven gauges based out of the Kapolei field office, two of which were out at temporary job sites and failed to be accounted for in the use log on the day of the inspection.

This is a repeat (IR2015-001) Severity Level IV violation (NRC Enforcement Policy Section 6.3.d)

- B) 10 CFR 30.34(c) requires, in part, that each person licensed by the commission shall confine his possession and use of the byproduct material to the locations and purposes authorized in the license.

License Condition 10 of NRC License 46-35280-01, Amendment No. 2, dated December 21, 2017, authorizes use or storage of licensed byproduct material at temporary job sites where the NRC has jurisdiction for regulating the use of licensed material, and at the licensee's Kapolei, Hawaii facility.

Contrary to the above, from October 30, 2015 to February 6, 2018, the licensee failed to confine his possession and use of the byproduct material to the locations and purposes authorized in the license. Specifically, from October 30, 2015 to February 6, 2018, the licensee dispatched licensed material to more than one job site from a storage location in Lihue, (island of Kauai) Hawaii without the location authorized on the NRC license.

This is a Severity Level IV violation (NRC Enforcement Policy Section 6.3.d)

Pursuant to the provisions of 10 CFR 2.201, Hayre McElroy & Associates, LLC is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, 1600 E. Lamar Blvd., Arlington, Texas 76011, within 30 days

Enclosure

of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violations, or, if contested, the basis for disputing the violations or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued requiring information as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

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.

Your response will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this February 27, 2018.