



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

February 22, 2019

Mr. William Russell, P.E.
President
T-O Engineers, Inc.
2471 South Titanium Place
Meridian, Idaho 83642

SUBJECT: T-O ENGINEERS, INC. - LICENSE RENEWAL AND NOTICE OF
VIOLATION 030-37815/2019-001

Dear Mr. Russell:

This letter refers to the Nuclear Regulatory Commission's (NRC) review of the change of control and/or transfer of ownership that was submitted to the NRC Region IV office by T-O Engineers, Inc., in letter dated December 4, 2018, and application dated December 5, 2018. The change of control and/or transfer of ownership supporting documentation stated that NRC licensee Graham, Dietz & Associates dba GDA Engineers merged with T-O Engineers, Inc., on August 1, 2018. In addition, the change of control and/or transfer of ownership documents stated that T-O Engineers, Inc., agrees to abide by all statements, representations, procedures, conditions, and commitments made by Graham, Dietz & Associates dba GDA Engineers.

Based on the information provided to the NRC in letter dated December 4, 2018, for the change of control and/or transfer of ownership, the NRC determined that one Severity Level IV violation of the NRC requirements occurred. The violation involved the failure to obtain the NRC's consent in writing prior to the merger associated with radioactive materials License 49-29307-01. Licensees are expected to notify the NRC of a proposed change of control and/or transfer of ownership in a timely manner, allowing the NRC enough time to carry out its statutory mandate of ensuring that licensed materials are adequately secured and that public health and safety and the environment are protected. This inspection finding was discussed with you telephonically at the conclusion of the license renewal process and during the final exit briefing on February 20, 2019.

This violation and the detailed circumstances surrounding it is cited in the enclosed Notice of Violation (NOV).

The failure to notify the NRC in a timely manner and obtain the NRC's prior written consent is typically considered to be a Severity Level III violation with a civil penalty. However, since the licensee continued to maintain control of the portable gauges and responsibilities of the radiation protection program, the violation is categorized as a Severity Level IV violation in accordance with the NRC Enforcement Policy.

You are required to respond to this letter and should follow the instructions specified in Information Notice 96-28 when preparing your response. For your convenience, "Suggested Guidance Relating to Development and Implementation of Corrective Action," can be found in the NRC website at: <https://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. If you have additional information that you believe the NRC should consider, you may provide it in your response to the NOV. The NRC review of your response to the NOV will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. If you have any questions regarding this license, please contact Roberto Torres at 817-200-1189.

Sincerely,

/RA/

James Thompson, Chief
Materials Licensing and Inspection Branch
Division of Nuclear Material Safety

Docket: 030-37815
License: 49-29307-01
Control: 610286

Enclosure:
Notice of Violation

T-O ENGINEERS, INC. - LICENSE RENEWAL AND NOTICE OF VIOLATION 030-37815
DATED – February 22, 2019.

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By: **RJT**

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NRC-002

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NOTICE OF VIOLATION

T-O Engineers, Inc.
Meridian, Idaho

Docket: 030-37815
License: 49-29307-01

In letter dated December 4, 2018, and application dated December 5, 2018, for a change of control and/or transfer of ownership that occurred on August 1, 2018, a violation of the NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.34(b) requires, in part, that no license issued or granted pursuant to the regulations shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

Contrary to the above, on August 1, 2018, the licensee completed a transfer of control of NRC License 49-29307-01, without receiving the Commission's consent in writing. Specifically, Graham, Dietz & Associates dba GDA Engineers merged with T-O Engineers, Inc., which constituted a change of control under 10 CFR 30.34(b), without receiving prior NRC approval and consent in writing.

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

Pursuant to the provisions of 10 CFR 2.201, T-O Engineers, Inc., 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, within 30 days of the date of the letter transmitting this Notice of Violation (NOV). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation or, if contested, the basis for disputing the violation 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 NOV, an Order or a Demand for Information may be issued 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, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

Your response 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>, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

Enclosure

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).

Dated this 22nd day of February 2019