

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

In the Matter of

GCME, Inc.  
DePere, Wisconsin

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Docket No. 030-31195  
License No. 48-23409-01  
EA 96-377

DEMAND FOR INFORMATION

I

GCME, Inc. (Licensee) holds Byproduct Materials License No. 48-23409-01, issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR Part 30. The license was initially issued on July 27, 1989, was renewed in its entirety on November 3, 1995, and will expire on November 30, 2000. The license authorizes the Licensee to use sealed sources of cesium-137 and americium-241 in moisture/density gauges of several manufacturers at 3741 Packerland Drive, DePere, Wisconsin, and at temporary job sites anywhere in the United States that the U. S. Nuclear Regulatory Commission maintains jurisdiction for regulating the use of licensed material.

II

A routine safety inspection was conducted at the Licensee's facility on June 27, 1996, during which significant violations of NRC requirements were identified. The inspection continued through July 22, 1996. On August 29, 1996, a predecisional enforcement conference was held with the Licensee. The Licensee was represented at the conference by the president of GCME, Inc., and its Radiation Protection Officer (RPC). The inspection and information provided by the Licensee's representatives at the conference established the violations cited in the Notice of Violation and Proposed Imposition of Civil Penalty issued on October 4th, 1996. Specifically:

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- A. On June 27, 1996, the Licensee permitted an individual to use a moisture/density gauge containing NRC-licensed material (nominally 10 millicuries (0.37 GBq) of cesium-137 and nominally 40-50 millicuries (1.9 GBq) of americium-241) and the individual was not provided with a film badge as required by License Condition No. 18.
- B. On June 27, 1996, and on several other occasions the Licensee failed to secure NRC-licensed materials from unauthorized removal or access when licensed materials (nominally 10 millicuries (0.37 GBq) of cesium-137 and nominally 40-50 millicuries (1.9 GBq) of americium-241) were in unrestricted areas<sup>1</sup> as required by 10 CFR 20.1801 and 20.1802.
- C. On June 27, 1996, a Campbell Pacific Nuclear moisture/density gauge containing NRC-licensed material (nominally 10 millicuries (0.37 GBq) of cesium-137 and nominally 50 millicuries (1.9 GBq) of americium-241) was used by an individual who had not successfully completed the device manufacturer's training program for gauge users and had not been authorized by the RPO to use a gauge as required by License Condition 11.A.
- D. On June 27, 1996, the Licensee transported a package containing nominally 10 millicuries (0.37 GBq) of cesium-137 and nominally 50 millicuries (1.9 GBq) of americium-241 and the package was not blocked and braced such that it could not change position during

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<sup>1</sup> As defined in 10 CFR 20.1003, unrestricted area means an area, access to which is neither limited nor controlled by the licensee.

conditions normally incident to transportation as required by 10 CFR 71.5(a) and 49 CFR 177.842.

- E. On June 27, 1996, the Licensee offered for transportation nominally 10 millicuries (0.37 GBq) of cesium-137 and nominally 40 millicuries (1.5 GBq) of americium-241 (special form) which was not blocked or braced as required by 10 CFR 71.5(a) and 49 CFR 177.842, and was not properly packaged as required by 10 CFR 71.5(a) and 49 CFR 173.475(a).

The violation for the Licensee's failure to provide a film badge to a technician using a moisture/density gauge was also cited during NRC inspections of GCME in 1989 and in 1995. The initial inspection of GCME, Inc., on October 10, 1989, found that an employee had not worn a film badge while using NRC-licensed material on August 15, 1989. This violation was cited at Severity Level IV on November 6, 1989. The second inspection of GCME, Inc., was conducted on January 10, 1995, with a subsequent investigation by the NRC Office of Investigations (OI). That investigation and inspection found that GCME, Inc., had not provided film badges to any of the authorized users of NRC-licensed materials from October 1990 through the summer of 1991 and from the end of 1992 to July 3, 1993. The violations from 1990 to 1993 were considered to be the result of careless disregard of NRC requirements and were categorized at Severity Level III. The fact that each of the three NRC inspections of the Licensee found that GCME, Inc., was in violation of the same requirement shows that the Licensee has been unable to achieve effective, comprehensive corrective action and is indicative of ineffective or insufficient management oversight of the radiation safety program at GCME, Inc.

Furthermore, as of the August 29, 1996 predecisional enforcement conference, the Licensee had not conducted a root cause analysis or proposed corrective actions for the current violations. Additionally, information provided at the conference by the Licensee representatives indicated that the Licensee placed a premium on production over compliance with NRC requirements. Also at the conference, it appeared that Licensee managers, in particular the RPO, were unfamiliar with the specific requirements of the NRC license and the rules and regulations of the Commission.

These circumstances demonstrate a lack of regard for, and adherence to, procedures and a lack of management control and supervision over licensed activities, and raise a question as to whether the Licensee will in the future be able to effectively manage the NRC-licensed radiation safety program. Therefore, further information is needed to determine whether the Commission can have reasonable assurance that in the future the Licensee will conduct its activities in accordance with the Commission's requirements.

### III

Accordingly, pursuant to sections 161c, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR 30.32(b), in order for the Commission to determine whether License No. 48-23409-01 should be modified, suspended or revoked, or other enforcement action taken to ensure compliance with NRC regulatory requirements, the Licensee is required to submit to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, within 30 days of the

date of this Demand for Information, the following information, in writing and under oath or affirmation:

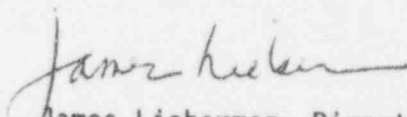
- A. Provide written assurance that all nuclear gauge users, including the Radiation Protection Officer, have been, and will be in the future, trained on and fully understand the conditions of the NRC license and the rules and regulations of the Commission applicable to the NRC-licensed program at GCME, Inc. Describe your basis for reaching this conclusion.
- B. Describe the steps taken to ensure that sufficient management resources are available to properly oversee the NRC-licensed program.
- C. Fully describe the audit program required by the "Duties and Responsibilities of the Radiation Safety Officer" that are enclosures to the August 7, 1995 application and are incorporated into License Condition No. 18.A. The description should include the written policies, procedures, and schedules used to implement the audit program, including the type and frequency of the audits, the qualifications of the person or persons performing the audits, and whether the audits will be performed by GCME, Inc. employees or by an external source. Written audit reports shall be retained by GCME, Inc., as required by the same license condition.

- D. Describe how GCME, Inc., will ensure that radiation safety considerations are given top priority despite business scheduling and other operational pressures.
- E. Describe why you have confidence that your corrective actions will be long lasting.
- F. In light of the inspection history, explain why the NRC: (1) should conclude that you are able to, or willing to, comply with the Commission's requirements; and (2) should not suspend and revoke GCME, Inc.'s License No. 48-23409-01 to possess and use licensed material.

Copies also shall be sent to the Assistant General Counsel for Hearings and Enforcement at the same address, and to the Regional Administrator, NRC Region III, 801 Warrenville Road, Lisle, IL 60532-4351.

After reviewing your response, the NRC will determine whether further action is necessary to ensure compliance with regulatory requirements.

FOR THE NUCLEAR REGULATORY COMMISSION

  
James Lieberman, Director  
Office of Enforcement

Dated at Rockville, Maryland  
this 7<sup>th</sup> day of October 1996



October 4, 1996

GCME, Inc.

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