

U.S. NUCLEAR REGULATORY COMMISSION
REGION I

INSPECTION REPORT

Report No. 030-20644/93-002

Docket No. 030-20644

License No. 37-21428-01

Licensee: Power Inspection, Inc.
P.O. Box 186
12330 Perry Highway
Wexford, Pennsylvania 15090

Facility Name: Power Inspection, Inc.

Inspection At: Wexford, Pennsylvania

Inspection Conducted: December 2 and 3, 1993

Inspectors: John R. McGrath
J. H. Ladun, Health Physicist

8/9/96
date

John R. McGrath
J. R. McGrath, Senior Health Physicist

8/9/96
date

Cheryl D. Beardslee
C. D. Beardslee, Reactor Engineer

8/9/96
date

Approved By: James M. Costello
Francis M. Costello, Chief
Nuclear Materials Safety Branch 3

8/9/96
date

Inspection Summary: Special unannounced safety inspection conducted December 2 and 3, 1993 (Report No. 030-20644/93-002).

Areas Inspected: Licensee Action on Previous Violations; Organization and Scope of Activities; Quarterly Observations of Radiographic Personnel; Materials and Equipment; Utilization Logs; Personnel Radiation Protection and Training.

Results: Seven apparent violations were identified:

1. Failure of a named individual to performed the duties of a Radiation Safety Officer (Section 3);
2. Failure to perform quarterly audits of individuals who perform radiographic operations (Section 4.A.);
3. Failure to perform periodic leak test of sealed sources at required frequencies (Section 5.A);
4. Failure to perform scheduled routine maintenance on an exposure device at three month intervals (Section 5.C.);
5. Failure to maintain radiographic utilization logs (Section 6);
6. Failure to promptly collect and submit film badges for processing (Section 7); and
7. Failure to administer annual refresher training to radiographic personnel (Section 8);

DETAILS

1. Persons Contacted

- ** K. Kumar - President
- J. Skedel - Director of Business Development
- ** W. D. Anderson - Assistant Radiation Safety Officer
and Quality Assurance Manager
- M. Krismanich - Radiographer
- C. Rinaman - Secretary/Assistant Radiographer
- * J. L. Mulkey - Vice President and Radiation Safety Officer
- J. B. McGregor - Assistant Radiographer

* Denotes telephone contact on December 2, 1993

** Denotes those present at exit interview

2. License Action on Previously Identified Violations

The inspectors reviewed the corrective and preventative actions documented in the licensee's July 14, 1993 letter to the NRC in response to an NRC Notice of Violation dated June 16, 1993.

- A. Inspection No. 93-001: Failure to observe the performance of a radiographer at intervals not to exceed three months. This violation was not corrected and will remain open. See Section 4 for details.
- B. Inspection No. 93-001: Failure to calibrate alarm ratemeters for correct response to radiation within the required time period. The necessary documentation to verify corrective action was not reviewed by the inspectors during this inspection. This item will remain open.
- C. Inspection No. 93-001: Failure to establish an approved quality assurance program, register with the NRC as a user of the NRC-approved packages used to transport greater than 20 curie quantities of Iridium-192 in special form and greater than 7 curie quantities of Cobalt-60 in special form, and maintain the necessary certificates of compliance.

The inspectors reviewed documents provided by the licensee which indicate the licensee is now in full compliance with all regulatory requirements contained in 10 CFR 71.12 and 10 CFR 71, Subpart H.

This item is closed.

- D. Inspection No. 93-001: Failure to maintain records showing the radiation exposure of all individuals for whom personnel monitoring is required.

The inspectors reviewed film badge records provided by the licensee for the time period in question (November 1992 to April 1993) and for the current period (May 1993 to December 1993). All records appeared to be complete.

This item is closed, however an apparent violation related to the prompt collection of personnel monitoring devices (film badges) for processing by the vendor was identified during this inspection. See Section 6 of this report for details.

E. Inspection No. 93-001: Failure to calibrate pocket dosimeters on a yearly basis. The necessary documentation to verify corrective action was not reviewed during this inspection. This item will remain open.

F. Inspection No. 93-001: Failure to maintain utilization logs. This violation was not corrected. This item will remain open. See Section 6 for details.

3. Organization and Scope of Licensed Activities

The licensee's home office is located in Wexford, Pennsylvania. The licensee maintains a branch office at 1300 West Government Street, Pensacola, Florida. Both offices are licensed to store radiographic sources and are used to support radiographic operations across the United States. The licensee also maintains a separate Florida license for radiographic operations conducted out of the Pensacola facility in the State of Florida.

Condition 10 of License No. 37-21428-01 authorizes storage of license material at the licensee's Wexford facility and for use at temporary job sites. However, the inspectors determined that prior to June 1993, licensed material had been stored for more than four years at the licensee's Youngstown, Ohio office and not at the Wexford facility. During the December 1993 inspection, Mr. Kumar stated that he plans to upgrade the Youngstown office to NRC specifications for use as a permanent storage facility. When this upgrade was complete, the licensee intended on applying for an amendment to their license requesting the Youngstown facility as a storage location. The licensee closed this office in July 1993 and moved all licensed material to the Wexford facility.

NRC License No. 37-21428-01 was scheduled to expire on January 31, 1994. However, the NRC received a letter dated December 30, 1993 from PI requesting the license not be renewed. Consequently, Region I issued Amendment No. 05 to the license authorizing "storage pursuant to source disposition" at the Wexford facility. The licensee has permanently ceased all licensed operations and the sources are in safe storage in the Wexford facility.

During this inspection, the licensee possessed two radiographic exposure devices containing 70 curies of Cobalt-60 (Co-60) and 15 curies of Iridium-192 (Ir-192). Both devices and sources were located at the licensee's Wexford facility at the time of the inspection. The licensee employed one radiographer, two radiographer's assistants, and one trainee to conduct licensed activities.

At the beginning of the inspection, an employee of the company, William Anderson, introduced himself as the RSO. Mr. Anderson stated that he was hired in August 1993 as a Level III NDT Examiner and as the licensee's RSO. The inspectors advised Mr. Anderson that the license names James Mulkey as the RSO, and that PI had to amend their license to reflect this change. Mr. Anderson acknowledged that Mr. Mulkey was listed as the RSO on License No. 37-21428-01.

The inspectors asked Mr. Anderson for information which would help determine his qualifications as the RSO. Mr. Anderson produced a letter addressed to him from the company President stating that Mr. Anderson had met all the criteria required by PI's procedures and 10 CFR 34 to be appointed as the RSO, and was named the RSO for License No. 37-21428-01. During the inspectors review of this letter, Mr. Anderson told the inspectors that he did not feel that he was completely qualified to be the RSO. Although he stated that he had the background training to be RSO, he did not have the field experience required by 10 CFR 34. His experience with radiographic operations was limited to the use of radiographic equipment with dummy sources (no licensed material) while teaching radiation safety in his previous job. Based on this information, the inspectors told Mr. Anderson that he did not appear to have the qualifications necessary to become the licensee's RSO. Specifically, he lacked the necessary one year "practical experience" as required by the NRC.

The RSO issue was discussed with the company President who insisted that Mr. Anderson was not really the RSO but acted as an assistant RSO. Mr. Kumar explained that the real RSO was Mr. Mulkey who was located in the licensee's Pensacola, Florida office. On December 2, 1993 during a telephone conversation with Mr. Mulkey, he stated that he was the RSO and that in September of 1993 he had visited the Wexford office and executed the duties of an RSO. Interviews with other PI employees indicated that they considered Mr. Anderson to be the RSO and that Mr. Mulkey had not visited the Wexford office during 1993. The PI employees interviewed by the inspectors were not aware of Mr. Mulkey performing any audits related to radiographic operations at or out of the Wexford facility. The inspectors determined that Mr. Mulkey has not been working at the licensee's Wexford office since December 1992 when he left to work in the Pensacola office.

Condition No. 12 of License No. 37-21428-01 names James L. Mulkey as the Radiation Safety Officer (RSO). The failure of the named individual to perform the duties of a RSO is an apparent violation of License Condition No. 12 of NRC License No. 37-21428-01.

4. Quarterly Observations of Radiographic Personnel

The inspectors discussed the quarterly audit program of radiographic personnel with the company President and Mr. Anderson. Mr. Kumar stated that the RSO, his designee, or a member of management observe radiography personnel on a regular basis with respect to radiation safety. However, the licensee was unable to produce any documentation to demonstrate that quarterly audits had been performed since April 1993.

Mr. Kumar stated that on November 11, 1993, he had performed an audit of a radiographer. On December 2, 1993, this radiographer was interviewed by the inspectors. This individual did not recall Mr. Kumar auditing him at any time during the month of November 1993. The inspectors noted that PI's response dated July 14, 1993 to violation A described in the NRC's Notice of Violation dated June 16, 1993 stated that all future observations and inspections by the RSO would be properly documented and the documents would be retained. During this inspection, the licensee was unable to provide documented quarterly observations of radiographic personnel for review. The company President repeatedly stated that he performed the observations, but he did not properly document them. Mr. Anderson stated that since his employment in August 1993, he has not performed quarterly audits of radiography personnel.

The failure to audit personnel who perform radiographic duties on a quarterly basis is an apparent violation of 10 CFR 34.11(d)(1) and License Condition No. 17 of NRC License No. 37-21428-01.

5. Materials and Equipment

A. Leak Tests

A review of leak test records by the inspectors indicated that an Amersham Model 680 exposure device (Serial No. 395) containing a 79 curie Cobalt 60 (Co-60) source (Serial No. 2366) had not been leak tested since December 2, 1992. The licensee's Amersham Model 660B exposure device (Serial No. B1077) containing a 54 curie Iridium 192 (Ir-192) source (Serial No. 6821) had not been leak tested since October 20, 1992. The leak test frequency for these sealed sources is at intervals not to exceed six month.

The failure to perform leak tests on Ir-192 and Co-60 sealed sources at six months intervals is an apparent violation of 10 CFR 34.25(b).

B. Inventory

The inspectors reviewed the licensee's quarterly inventory report dated December 3, 1993 and determined that the report did not include the licensee's Amersham Model 660B exposure device. Mr. Anderson stated that the inventory was performed, but the results were not yet recorded.

C. Equipment Inspections

A review of maintenance records indicated that routine quarterly maintenance was due to be performed on the Model 660B exposure device on September 10, 1993. As of this inspection, this maintenance has not been performed.

Failure to perform equipment inspection and maintenance at three month intervals on an exposure device is an apparent violation of 10 CFR 34.28(b).

6. Utilization Logs

A document review indicated that the licensee's Radiographic Operation Reports (utilization logs) associated with the use of the Ir-192 source were missing for the time period July 16, 1993 to November 14, 1993. The inspectors also determined that the utilization logs associated with the use of the Co-60 source for the time period July 20, 1993 to October 7, 1993 were missing, and logs for the months of May and June of 1993 were either incomplete or missing.

The inspectors reviewed the licensee's Work Order Log records and determined that radiographic operations were performed for various companies in Ohio and Pennsylvania during these time periods. The inspectors asked Mr. Anderson for copies of utilization logs for the time period November 1992 to April 1993 describing radiographic operations conducted in Youngstown and Struthers, Ohio and Oakmont, Pennsylvania. These logs were not available during NRC Inspection No. 030-20644/93-001, and as a result, an item of noncompliance was issued. The licensee, in a letter dated July 14, 1993, responded to the violation by stating that "all utilization was properly documented" and "now maintained at the Wexford facility". Mr. Anderson provided the inspectors with copies of thirteen different logs for the use of the Co-60 device at the Youngstown, Ohio location. Ten of these logs were not dated and three were dated March 30, 1993. Soon after Mr. Anderson presented the logs, another member of the licensee's staff stated that many of the utilization logs given to the inspectors during this inspection were completed by licensee personnel after the fact.

The inspector examined the logs provided by Mr. Anderson during this inspection and determined that ten of the thirteen logs were not complete, specifically, the dates of use were missing. However, the source isotope strength (in curies) was recorded on each log. The inspector, by decay correcting the Co-60 activity, was able to arrive at approximate dates of use. These dates ranged between June 15, 1993 and July 15, 1993. However, Mr. Anderson had told the inspector that these undated logs represented work which was performed between November 1992 and March 1993.

The failure to maintain current and complete utilization logs is an apparent violation of 10 CFR 34.27.

7. Personnel Radiation Protection

The inspectors reviewed the licensee's film badge records and determined that personnel dosimetry issued to radiography personnel in December 1992 was not received for processing by Landauer (dosimetry processor) until April 12, 1993, and that dosimetry which was issued in January 1993 by the licensee was not received for processing by Landauer until April 19, 1993. Further review indicates that the April 1993 film badge issued to D. Nesbitt, a radiographer, was not received for processing by Landauer until September 17, 1993 and the February 1993 badge issued to G. Stewart, a radiographer, was not received for processing by Landauer until September 10, 1993. The licensee was unable to explain the delay in the collection or the submittal of film badges for evaluation by the vendor.

During the April 1993 inspection (Inspection No. 030-20644/93-001), the inspectors were told by licensee personnel that film badge records for the period December 1992 to April 1993 were unavailable because they were lost or misplaced, but apparently no records existed because the badges had not been submitted for processing until April 1993.

The failure to return personnel monitoring devices (film badges) promptly for evaluation is an apparent violation of License Condition 17 of NRC License No. 37-21428-01.

8. Training

Discussions with radiography personnel indicated that no annual re-training had been administered in 1992 or 1993. Licensee representatives were unable to provide any type of documentation to show that such training had been administered. The licensee's President stated that he did not know why this training was not given.

The finding that annual training had not been administered to radiography personnel in 1992 and 1993 is an apparent violation of License Condition 17 of NRC License No. 37-21428-01.

9. Exit Interview

The inspectors discussed the scope and the findings of the inspection with the individuals indicated in Section 1 of the inspection report. The inspectors expressed concern that many records related to licensed activities were either incomplete or missing. The inspectors discussed the licensee's July 14, 1993 letter to the NRC describing corrective and preventive actions resulting from the April 1993 NRC inspection. The licensee's President stated that to the best of his knowledge, all statements made to the NRC in the letter replying to this inspection were correct, although he stated he did not write this letter or contribute to its contents. When the licensee was asked why the licensee had never responded to the NRC's October 26, 1993 letter requesting clarification of the licensee's July 14, 1993 response, he stated that he never saw it and was not sure the licensee ever received it. Prior to the conclusion of the meeting, Mr. Kumar stated that he, himself, would assume the duties of RSO, since Mr. Anderson was not apparently qualified and Mr. Mulkey was in Florida.

SYNOPSIS

On December 2, 1993, OI initiated an investigation of Power Inspection, Inc. (PI), concerning allegations of falsification of qualification certifications for employees who performed radiography and eddy current (ET) examinations, some of which were performed at nuclear power plants. It was also alleged that PI employees had falsified licensed material utilization logs and had used illegal drugs prior to and while performing work at nuclear power plants. Also, testimony was provided that a July 14, 1993, PI letter to the NRC, contained numerous false statements. This letter was sent to the NRC in response to violations that were cited during an April 1993 NRC inspection. In addition, PI had failed to notify the NRC of a change of radiation safety officers.

The OI investigation has disclosed that false ET qualification certifications were deliberately generated by PI for at least three of its employees who performed ET examinations at Perry Nuclear Power Plant (PNPP) (on safety related systems) and at Cooper Nuclear Station (CNS) during the period 1991-1993. Also, that falsified ET qualification certification examination results and Personnel Certification Summaries were generated for four PI employees. Such falsifications were condoned or directed by the president of PI, the former vice president and radiation safety officer (RSO), and the former quality assurance manager.

OI also concludes that a minimum of 38 source utilization logs were falsely created by PI employees to satisfy questions that were asked during an April 1993 NRC inspection regarding the lack of utilization logs. This activity was undertaken at the direction of the president of PI.

OI also concludes that three PI employees tested positive for illegal drug use prior to working at PNPP and CNS in 1993, and that the president of PI, while aware of the situation, did not notify PNPP and CNS of that information.

Further, OI concludes that the responses in items A, B, E and F in PI's July 14, 1993, letter to the NRC are deliberately incomplete and inaccurate. The evidence developed during the investigation indicates that the president of PI and the former RSO are responsible for knowingly providing this false information to the NRC.

It is also concluded that the president of PI knowingly failed to notify the NRC of a change of radiation safety officers.

Enclosure (2)



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

DEC 11 1996

Krishna Kumar
c/o William Manifesto, Esq.
1550 Coppers Building
436 7th Avenue
Pittsburgh, Pennsylvania 15219

SUBJECT: REPORT NO. 030-20644/96-001

Dear Mr. Kumar:

On October 18, 1996, a predecisional enforcement conference was held at the Region I offices to discuss the apparent violations identified during an NRC inspection conducted on December 2 and 3, 1993, and the subsequent investigation by the Region I Office of Investigation. Copies of Inspection Report No. 030-20644/93-002 and the synopsis of Investigation Report No. 1-93-069 were provided to you in our letter dated August 9, 1996. A summary of the predecisional enforcement conference is enclosed (Report No. 030-20644/96-001). The NRC will notify you in separate correspondence of our decision regarding the apparent violations discussed at the conference.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter will be placed in the Public Document Room. No reply to this letter is required.

Your cooperation with us is appreciated.

Sincerely,

Charles W. Hehl, Director
Division of Nuclear Materials Safety

Docket No.: 030-20644
License No.: 37-21428-01
EA Nos. 95-025
96-190

Enclosure: Report No. 030-20644/96-001

cc w/enclosure:
Commonwealth of Pennsylvania

Enclosure 3

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U.S. NUCLEAR REGULATORY COMMISSION
REGION I

Report No. 030-20644/96-001
Docket No. 030-2064*
License No. 37-21428-01
Licensee: Power Inspection, Inc.
P.O. Box 186
12330 Perry Highway
Wexford, Pennsylvania 15090
Facility Name: Power Inspection, Inc.
Conference At: US Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, Pennsylvania 19406
Conference Conducted: October 18, 1996

Inspector:

Duncan White

Duncan White, Senior Health Physicist

12/6/96
date

Approved By:

Jenny M. Johansen
Jenny M. Johansen, Chief
Nuclear Materials Safety Branch 3
Division of Nuclear Materials Safety

12/9/96
date

Predecisional Enforcement Conference Summary: Closed predecisional enforcement conference conducted on October 18, 1996 (Report No. 030-20644/96-001) to discuss the apparent violations identified during the December 2 and 3, 1993 inspection and the subsequent investigation by the Office of Investigation. The conference discussed the apparent violations and their root causes. The conference was transcribed.

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DETAILS

1. Persons Attending

Licensee Attendees

Krishna Kumar, former President
William F. Manifesto, Counsel

NRC Attendees

Charles W. Hehl, Director, Division of Nuclear Materials Safety (DNMS)
Duncan White, Acting Chief, Nuclear Material Safety Branch (NMSB) 3, DNMS
John McGrath, Senior Health Physicist, NMSB 3, DNMS
Richard Ladun, Health Physicist, NMSB 3, DNMS
Judith A. Joustra, Senior Enforcement Specialist, Region I
Nader Mamish, Enforcement Specialist, Office of Enforcement
Dennis Serig, Division of Industrial & Medical Nuclear Safety, Office of Nuclear Materials Safety and Safeguards (by telephone)

2. Predecisional Enforcement Conference Summary

The conference opened with the participants introducing themselves. Mr. Hehl stated the purpose of the conference. Mr. White reviewed the apparent violations identified during the December 1993 inspection. The former President of Power Inspection (PI) indicated that the responsibility for implementing the radiation safety program was with the Radiation Safety Officer (RSO). He further stated that he assumed that the RSO was performing those activities required by the regulations and their license. The former President did acknowledge that he had responsibility for not submitting film badges for processing during the January to April 1993 period. He also stated that he performed audits of radiographic personnel, but did not record the audits. It was the former President's understanding that the audits were performed and recorded by the RSO.

Mr. McGrath reviewed the apparent violations concerning: 1) the falsification of qualification certificates for PI employees who performed radiography and eddy testing examinations at nuclear power plants; 2) the falsification of utilization logs; 3) the use of illegal drugs by PI employees prior to and during the performance of work at nuclear power plants; 4) making false statements in a PI letter dated July 14, 1993 to the NRC; and 5) knowingly failed to notify the NRC concerning a change in the RSO. The former President denied that he knowingly made false statements or directed the falsification of records. Counsel for the former President indicated that the former President did not have access to company records which were impounded in December 1993 by the Department of Justice and therefore, was not in the position to admit or deny any specifics of the apparent violations.

The former President stated that he was no longer associated with PI since 1994 and that the assets of PI are currently controlled by Mr. Paul Chambers. PI was not a subsidiary of another company, but Mr. Chambers' company, PEC Engineering, lent PI money or purchased items needed by PI which PI would rent from PEC Engineering. The former President indicated that Mr. Chambers exercised a significant level of control in the company, particularly in the area of personnel and financial matters. PEC Engineering does not have a license with the NRC according to the former President.

The former President and his Counsel discussed the circumstances regarding the former President's guilty plea in 1986 to falsifying eddy current equipment calibration records. The former President noted he was careful after his guilty plea to comply with the regulations.

Ms. Joustra discussed the NRC's enforcement options and indicated that if PI or the former President wished to submit additional information, the NRC would consider it prior to taking enforcement action. At the request of the licensee, Mr. Hehl explained the process to withhold the enforcement proceedings from the public record.

Mr. Hehl thanked the licensee for participating in the conference and closed the meeting.