

February 6, 1997

Mike Harwood, Operations Manager
ATC Group Services, Inc. d/b/a
ATC Associates, Inc.
9839 Industrial Court, Suite B
Highland, IN 46322

SUBJECT: NRC INSPECTION AND NOTICE OF VIOLATION

Dear Mr. Harwood:

This refers to the inspection conducted on January 16, 1997 (with continued NRC in-office review through January 28, 1997) at ATC Group Services, Inc. d/b/a ATC Associates, Inc., Highland, Indiana. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with you.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, independent measurements and observation of activities in progress.

Based on the results of this inspection, the NRC has determined that violations of NRC requirements occurred. The violations are cited in the enclosed Notice of Violation (Notice). A written response is required.

In addition to the violations, three concerns were identified. The first concern is that your level of involvement and oversight of radiation safety activities may not be adequate. In your position as licensee management and radiation safety officer, you are responsible for oversight of the day-to-day radiation safety program and for ensuring compliance with NRC requirements. As of this inspection, you were unfamiliar with several license conditions and NRC regulations, and you relied on your corporate office regarding certain NRC regulatory matters without verifying that compliance with NRC regulatory requirements was achieved. This situation resulted in a violation of 10 CFR 30.34(b) (unauthorized change of ownership) which was cited in a Notice of Violation dated January 31, 1997, and violations 1 and 2 of the enclosed Notice. The second concern is that you did not determine if the sealed sources contained in your Troxler Model 3411B (Serial No. 17205) device were damaged during the accident in April 1996, until you performed a leak test as requested by the NRC in January 1997. The third concern is that

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you possess a damaged nuclear gauge without definite plans for disposal. In addition to replying to the enclosed Notice, please address these concerns by providing a description of the actions you have taken or planned to: (1) enhance your involvement and oversight of the radiation safety program and familiarize yourself with your NRC license and applicable NRC regulations; (2) ensure that damaged nuclear gauges are promptly evaluated for potentially leaking sealed sources; and (3) properly dispose of the damaged nuclear gauge.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosure, and your response to this letter will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

Sincerely,

Original Signed by Roy J. Caniano

Cynthia D. Pederson, Director
Division of Nuclear Materials Safety

License No. 13-17877-01
Docket No. 030-13563

Enclosure: Notice of Violation

cc: B. J. Holt
J. Lynch
B. Sanza (IDNS)

bcc w/encl: PUBLIC

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