



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

November 15, 1996

EA 96-448

Mr. John C. Phillips, Esq.
Western Industrial X-Ray Inspection Company, Inc.
P.O. Box 514
Evanston, Wyoming 82931

SUBJECT: NOTICE OF VIOLATION

This refers to a report dated August 22, 1996, documenting the findings of an audit of Western Industrial X-Ray Inspection Company, Inc.'s (WIX) radiation safety program. The audit, performed by Hellier and Associates, Inc., was the first of several program audits required under the Final Initial Order, Attachment A, "Stipulation for Settlement of Proceedings" (Order), issued by an NRC Atomic Safety and Licensing Board on November 16, 1995. We have reviewed the audit report in conjunction with the recent NRC inspection of WIX's radiation safety program. The inspection findings were previously documented and provided to you in an NRC Form 591 at the conclusion of the September 10, 1996, inspection.

Based on our review of the audit report and information obtained during telephone discussions between Ms. Linda Howell of this office and Mr. Raymond Heath, Radiation Safety Officer for WIX, the NRC has identified a failure to comply with the conditions of the Order. Specifically, the Order specified, among other items, that at approximately 3 months, and no later than 6 months, after WIX resumed NRC licensed activities, an audit of WIX's radiation safety program was to be performed by an independent auditor approved by the NRC. The auditor was to provide copies of all draft and final audit reports to the NRC at the same time that such reports were provided to WIX. Additionally, WIX was to provide to the NRC a written response to any audit findings within 30 days of WIX's receipt of the audit reports. The specified responses are to include a description of any actions taken in response to the audit findings or, alternatively, an explanation of why actions were not taken.

Our September 10, 1996, inspection determined that WIX resumed an NRC licensed activity on December 22, 1995, yet the initial audit was not completed until August 13, 1996, approximately 8 months after WIX resumed operations. In addition, as Ms. Howell noted during a telephone conversation with Mr. Heath on October 25, 1996, the NRC had not yet received a written response from WIX regarding findings documented in the August 22, 1996, audit report. This issue was identified as a violation and is cited in the enclosed Notice of Violation (Notice). Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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You are also reminded that Item 7 of the Order discusses enforcement actions that the NRC may exercise if WIX fails to comply with the terms of the Order. Specifically, failure to comply with the terms of the Order constitutes a material breach of the Order and may result in immediate revocation or suspension of WIX's license. However, we note that actions taken by WIX to comply with other conditions of the Order have been verified through information submitted by WIX to the NRC Region IV office, through communications with WIX personnel, and during our recent inspection. Thus, WIX's failure to complete the initial program audit and to provide a written response to the audit findings within the time period specified in the Order has been categorized as a Severity Level IV violation. However, you are advised that future failures to comply with the conditions of the Order may result in significant enforcement action, including immediate revocation or suspension of the license.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be placed in the NRC Public Document Room (PDR).

Should you have any questions concerning this letter, please contact Ms. Linda L. Howell at (817) 860-8213.

Sincerely,



Ross A. Scarano
Division of Nuclear Materials Safety

Docket: 030-32190
License: 49-27356-01

Enclosure: Notice of Violation

cc w/enclosure:
Wyoming Radiation Control Program Director

Mr. John C. Phillips, Esq.

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bcc w/enclosure to DMB (IE-07)

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OE:EA (MS 7H5)

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