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November 18, 1996

EA 96-441

Michael Creech  
Senior Vice President  
Conam Inspection  
1245 W. Norwood  
Itasca, IL 60143

SUBJECT: NRC INSPECTION REPORT NO. 030-31373/96002(DNMS) AND INVESTIGATION  
REPORT NO. 3-96-014

Dear Mr. Creech:

This refers to the routine, unannounced inspection conducted on site in Gary, Indiana, on March 28 through April 11, 1996, and the exit meeting conducted by telephone on November 12, 1996. 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 and those members of your staff identified in the enclosed report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

This also refers to an investigation conducted by the NRC Office of Investigations (OI) to determine if your radiography personnel deliberately violated NRC requirements pertaining to calibration of survey instruments, wearing of film badges, management attention to employee concerns about safety, proper use of an exposure device that resulted in personal radiation exposure, proper use of exposure devices in general, and accuracy of records. A synopsis of the results of the investigation is enclosed.

Based on the results of the inspection and investigation, six apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600 (60 FR 34381; June 30, 1995). These apparent violations pertain to the failure to properly secure the source assembly in the exposure device; failure to complete a survey of the entire circumference of the exposure device after each exposure; failure to control radiation exposure of a worker to less than 5 rems (0.05 Sv), total effective dose equivalent (TEDE); failure to immediately report to NRC an event that may have caused or threatened to cause a worker to receive a radiation dose of 25 rems (0.25 Sv), TEDE, or more; failure to conduct an adequate evaluation of potential personnel exposures to demonstrate compliance with 10 CFR 20.1201(c); and failure to provide a film badge to an individual

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who calibrated survey instruments. These apparent violations are of significant concern because the failure to properly secure the source assembly in the exposure device appeared to be willful in nature. This was because the radiographers were knowledgeable of your Operating and Emergency Procedures Manual requirements for operation of the exposure device, which specifies the steps to secure the source assembly in the exposure device after each exposure, but chose to ignore them. This apparent violation was not only associated with the event that caused the apparent overexposure, but also was found to be standard practice by several of your radiographers. Additionally, these violations are significant in that they led to an apparent overexposure.

The apparent violations are described in the enclosed report and will be discussed with your staff in a transcribed predecisional enforcement conference. Consequently, a Notice of Violation is not presently being issued for these inspection findings. The number and characterization of the apparent violations may change as a result of further NRC review.

The transcribed predecisional enforcement conference has been scheduled for Monday, December 2, 1996, at 10:00 a.m. (CST) in the Region III office, 801 Warrenville Road, Lisle, Illinois. The decision to hold an enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. The purposes of this conference are to discuss the apparent violations, their causes and safety significance; to provide you the opportunity to point out any errors in our inspection report; and to provide an opportunity for your staff to present your proposed corrective actions. In particular, we expect you to be prepared to discuss: (1) your previously stated position that no overexposure occurred, (2) why the NRC should conclude that management is not placing production pressures on employees to the detriment of safety and compliance, and (3) the adequacy of your corporate-wide training program. In addition, this is an opportunity for you to provide any information concerning your perspectives on: (1) the severity of the violations, (2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and (3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII. You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

To assist you in preparing for the predecisional enforcement conference, we are enclosing a copy of the NRC Enforcement Policy and an Information Notice which provides guidance on the development and implementation of corrective actions.

Please contact Mr. Monte P. Phillips or Mr. Thomas F. Young at telephone number (630) 829-9806 or (630) 829-9835, respectively, if you have any questions.

M. Creech

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and enclosures 1 and 2 will be placed in the NRC Public Document Room.

Sincerely,

Original Signed by

Cynthia D. Pederson, Director  
Division of Nuclear Materials Safety

License No. 12-16779-01  
Docket No. 030-31373

Enclosures: 1. Inspection Report  
No. 030-31373/96002(DNMS)  
2. OI Synopsis  
3. Information Notice 96-28  
4. Enforcement Policy (NUREG-1600)

bcc w/encs 1 and 2: J. Goldberg, OGC      Office of Enforcement  
D. Cool, NMSS      PUBLIC IE07  
B. Burgess, EICS

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