



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

May 15, 1997

EA 97-202

Mr. David F. Johns, P.E.
President and Radiation
Safety Officer
Capital Engineering Services, Inc.
101 Weston Drive Unit 3
Dover, Delaware 19901

SUBJECT: ORDER REVOKING LICENSE
(NRC Inspection No. 030-33244/96-001 and NRC Office of
Investigation Report No. 1-96-042)

Dear Mr. Johns:

On February 12, 1996, your NRC license was suspended by an NRC Order for nonpayment of fees. However, on May 17, 1996, the NRC issued a Conditional Order Extending Time that granted your request to pay the delinquent fees in twelve monthly installment payments and extended the effective date of the February 12, 1996 Order to March 15, 1997. In addition, the Conditional Order stated that, in the event the licensee fails to pay an installment during the 12-month period, each and every term and condition set forth in the February 12, 1996 Order will become immediately effective without further notice. You failed to make the first installment due June 15, 1996, after the Conditional Order was issued. Accordingly, on June 16, 1996, the terms of the February 12, 1996 "Order Suspending License" again became effective and your license is currently suspended.

The enclosed Order Revoking License is being issued because of your violations of NRC requirements. Based on the findings of an NRC inspection and an investigation by the NRC Office of Investigations, the NRC has concluded that you violated other NRC requirements by: (1) deliberately using licensed material on numerous occasions after your license had been suspended; (2) failure to maintain dose records for employees who used the gauges; and (3) failure to test sealed sources for leakage and/or contamination.

Pursuant to Section 223 of the Atomic Energy Act of 1954, as amended, any person who willfully violates, attempts to violate, or conspires to violate, any provision of this Order shall be subject to criminal prosecution as set forth in that section. Violation of the Order may also subject the person to a civil monetary penalty.

Given your deliberate misconduct, the NRC no longer has the necessary assurance you would perform NRC-licensed activities safely and in accordance with NRC requirements, should you engage in NRC-licensed activities under any other NRC license. Therefore, a separate Order, which precludes you from any involvement in NRC-licensed activities for a period of three years, is being issued to you concurrently.

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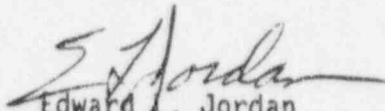
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In our letter dated March 26, 1997, we enclosed the synopsis of Investigation Report No. 1-96-042, which indicated that you willfully violated NRC requirements associated with dosimetry. Upon reconsideration of the facts in this case, the NRC has decided not to cite such failure in the enclosed Order because it is not clear that your employees, who were subject to radiation levels, were likely to receive an annual dose in excess of 10% of the applicable limit in 10 CFR 20.1201(a).

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

Questions concerning these actions should be addressed to Mr. James Lieberman, Director, Office of Enforcement, who may be reached at (301) 415-2741.

Sincerely,



Edward L. Jordan
Deputy Executive Director for Regulatory
Effectiveness, Program Oversight,
Investigations and Enforcement

Docket No. 030-33244
License No. 07-30056-01

Enclosures:

1. Order Revoking License
2. Listing of Violations

cc w/encls:
State of Delaware