



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
1600 EAST LAMAR BOULEVARD  
ARLINGTON, TEXAS 76011-4511

February 15, 2022

EA-21-129

Ms. Sharon Busby  
President  
Advanced Inspection Technologies, Inc.  
3820 Charles Page Blvd.  
Tulsa, OK 74127

SUBJECT: NRC INSPECTION REPORT 150-00035/2020-002 AND INVESTIGATION  
REPORT 4-2021-005

Dear Ms. Busby:

This letter refers to the investigation completed on August 30, 2021, by the U.S. Nuclear Regulatory Commission (NRC) Office of Investigations at Advanced Inspection Technologies, Inc., (AIT or licensee) in Tulsa, Oklahoma. The investigation was conducted to determine whether licensee employees willfully conducted licensed activities in NRC jurisdiction without filing for reciprocity. The NRC's investigation results were discussed with you during a telephone conversation on February 2, 2022. A factual summary of the investigation is provided as Enclosure 1.

Based on the information acquired during the investigation and in-office review by the inspection staff, two apparent violations were identified and are being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The apparent violations involve the failure to: (A) file a submittal containing an NRC Form 241, a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the appropriate NRC regional office at least 3 days before engaging in each activity in a Non-Agreement State; and (B) ensure that information provided to the Commission by a licensee is complete and accurate in all material respects. The apparent violations are documented in Enclosure 2.

Before the NRC makes its enforcement decision, we are providing you an opportunity to: (1) respond to the apparent violations addressed in this inspection report within 30 days of the date of this letter, (2) request a predecisional enforcement conference (PEC), or (3) request alternative dispute resolution (ADR) mediation. If a PEC is held, the PEC will be closed to public observation since information related to an Office of Investigations report will be discussed and the report has not been made public. If you decide to participate in a PEC or pursue ADR, please contact Mr. Roberto Torres at 817-200-1189 or via email at [RobertoJ.Torres@nrc.gov](mailto:RobertoJ.Torres@nrc.gov) within 10 days of the date of this letter. A PEC should be held within 30 days and an ADR session within 45 days of the date of this letter.

If you choose to provide a written response, it should be clearly marked as a "Response to Apparent Violations, NRC Inspection Report 150-00035/2020-002; EA-21-129" and should

include for each apparent violation: (1) the reason for the apparent violation or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. Your response should be sent to the Director, Division of Nuclear Materials Safety, NRC Region IV, 1600 E. Lamar Blvd. Arlington, Texas, 76011-4511 and emailed to [R4Enforcement@nrc.gov](mailto:R4Enforcement@nrc.gov). If an adequate response is not received within 30 days of the date of this letter or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The decision to hold a PEC does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference would be conducted to obtain information to assist the NRC in making an enforcement decision.

The topics discussed during the conference may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned. In presenting your corrective action, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violations. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful in preparing your response. You can find the Information Notice using Agencywide Documents Access and Management System (ADAMS) Accession No. ML061240509.

In lieu of a PEC or written response, you may request ADR with the NRC in an attempt to resolve this issue. Alternative dispute resolution is a general term encompassing various techniques for resolving conflicts using a neutral third party. The technique that the NRC has decided to employ is mediation. Mediation is a voluntary, informal process in which a trained neutral mediator works with parties to help them reach resolution. If the parties agree to use ADR, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues.

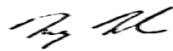
Additional information concerning the NRC's ADR program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html> as well as NRC brochure NUREG/BR-0317, "Enforcement Alternative Dispute Resolution Program" Revision 2, ADAMS Accession No. ML18122A101. The Institute on Conflict Resolution at Cornell University has agreed to facilitate the NRC's program as a neutral third party. Please contact the Institute on Conflict Resolution at 877-733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of this issue through ADR.

In addition, please be advised that the number and characterization of apparent violations described in Enclosure 2 may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter and its enclosures will be made available electronically for public inspection in the NRC Public Document Room and from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html>. However, you should be aware that all final NRC documents, including the final Office of Investigations report, are official agency records and may be made available to the public under the Freedom of Information Act and subject to redaction of certain information in accordance with the Freedom of Information Act. To the extent possible, your response should not include any personal privacy or proprietary information so that it can be made available to the public without redaction.

If you have any questions concerning this matter, please contact Mr. Roberto Torres of my staff at 817-200-1189.

Sincerely,



Signed by Muessle, Mary  
on 02/15/22

Mary C. Muessle, Director  
Division of Nuclear Materials Safety

Docket: 150-00035  
License: Oklahoma OK-27588-02

Enclosures:

1. Factual Summary
2. Supplemental Information  
w/attachment

cc w/Enclosures:  
Michael Broderick  
Environmental Program Manager II  
Radiation Management Section  
Oklahoma Environmental Agency

**SUBJECT: NRC INSPECTION REPORT 150-00035/2020-002 AND INVESTIGATION  
REPORT 4-2021-005 - DATED FEBRUARY 15, 2022**

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RAugustus, OGC	LHowell, OEDO	

Mr. Mike Broderick, Manager  
Oklahoma Department of  
Environmental Quality  
Radiation Management Section  
P.O. Box 1677  
Oklahoma City, OK 73101-1677

[https://usnrc.sharepoint.com/teams/Region-IV-ACES/ACES S Drive/ENFORCEMENT/\\_EA CASES - OPEN/Advanced  
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ADAMS ACCESSION NUMBER: **ML22040A362**

☒SUNSI Review:

ADAMS:

☐ Non-Publicly Available

☒Non-Sensitive

Keyword:

By: JEV

☒ Yes ☐ No

☒ Publicly Available

☐ Sensitive

EA-21-027

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OFFICE	OGC	D:DNMS			
NAME	RAugustus	MCMuessle			
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DATE	02/08/22	02/15/22			

**OFFICIAL RECORD COPY**

**FACTUAL SUMMARY**  
**NRC INVESTIGATION REPORT 4-2021-005**

On November 20, 2020, the U.S. Nuclear Regulatory Commission (NRC), Office of Investigations (OI), Region IV, initiated an investigation to determine if an official at Advanced Inspection Technologies, Inc. (AIT or licensee) in Tulsa, Oklahoma willfully conducted licensed activities in NRC jurisdiction without filing for reciprocity. The investigation was completed on August 30, 2021.

The official indicated that they knew it was wrong for AIT to work in Missouri without filing for reciprocity and decided to proceed because AIT was desperate for the income. Specifically, the official indicated that they knew it was wrong when they made the decision and that proceeding to work in Missouri without first completing the appropriate filing was contrary to the NRC reciprocity requirement. The official also identified that AIT did not have a lot of work in Tulsa, and they were trying to keep the company going. Further, the official stated that they were going to accept that they were wrong to go ahead and work in Missouri at the time.

Based on the evidence developed during the investigation, it appears that the official deliberately conducted licensed activities in NRC jurisdiction without filing for reciprocity. This appears to have caused the licensee to be in violation of 10 CFR 150.20(b)(1).

Additionally, the investigative record included evidence that the official (licensee) submitted information to the Commission that was not complete and accurate in all material respects. Specifically, on October 14, 2020, the official signed and filed an NRC Form 241 which stated that AIT conducted licensed activities in NRC jurisdiction (Missouri) on September 14, 16, 23, and October 1, 10, 12, 2020. On February 12, 2021, the official sent an email to NRC staff stating that additional dates were identified on which AIT performed work in Missouri. Further, the official also confirmed on March 2, 2021, that more dates were identified than they previously indicated on AIT's submitted NRC Form 241. In addition to the dates stated on the NRC Form 241, AIT's utilization log specifies 14 more dates (April 1, June 4, July 12, 14, 17, 23, 29, August 5, 12, 16, 20, 27, and September 2, 9, 2020), that AIT performed radiography work in Missouri.

Based on the evidence developed during the investigation, it appears that the licensee submitted an NRC Form 241 to the Commission that was not complete and accurate in all material respects in violation of 10 CFR 30.9(a).

U.S. NUCLEAR REGULATORY COMMISSION  
REGION IV

Docket: 150-00035

License: Oklahoma (Agreement State) OK-27588-02

Report: 150-00035/2020-002

EA No: EA-21-129

Licensee: Advanced Inspection Technologies, Inc.

Exit Meeting Date: February 2, 2022

Regional Contact: Casey Alldredge, Health Physicist  
Materials Licensing & Decommissioning Branch  
Division of Nuclear Materials Safety, Region IV

Latischa Hanson, Senior Health Physicist  
Materials Licensing & Decommissioning Branch  
Division of Nuclear Materials Safety, Region IV

Approved By: Roberto Torres, Acting Chief  
Materials Licensing & Decommissioning Branch  
Division of Nuclear Materials Safety, Region IV

Attachment: Additional Information

## APPARENT VIOLATIONS

Based on the results of an NRC investigation completed on August 30, 2021, two apparent violations of NRC requirements were identified. The apparent violations are listed below:

- A. 10 CFR 150.20(a)(1) states, in part, that any person who holds a specific license from an Agreement State is granted a general license to conduct the same activity in Non-Agreement States subject to the provisions of 10 CFR 150.20(b).

10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in a Non-Agreement State shall, at least 3 days before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the appropriate NRC regional office.

Contrary to the above, between April 1 and October 12, 2020, Advanced Inspection Technologies, Inc., a licensee of the state of Oklahoma, engaged in licensed activities in a Non-Agreement State without filing a submittal containing an NRC Form 241, a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the appropriate NRC regional office at least 3 days before engaging in each activity. Specifically, Advanced Inspection Technologies Inc., performed radiography for 20 days (April 1, June 4, July 12, 14, 17, 23, 29, August 5, 12, 16, 20, 27, September 2, 9, 14, 16, 23, and October 1, 10, 12, 2020) in Joplin, Missouri, but did not request reciprocity until October 14, 2020. Since the work was performed in a Non-Agreement State beginning on April 1, 2020, Advanced Inspection Technologies, Inc., was required to provide this information to the NRC by March 29, 2020. (150-00035/2020-002-01)

- B. 10 CFR 30.9(a) requires, in part, that information provided to the Commission by a licensee shall be complete and accurate in all material respects.

Contrary to the above, on October 14, 2020, Advanced Inspection Technologies, Inc., a licensee of the state of Oklahoma, provided information to the Commission that was not complete and accurate in all material respects. Specifically, Advanced Inspection Technologies, Inc. submitted an NRC Form 241 that failed to include 14 dates (April 1, June 4, July 12, 14, 17, 23, 29, August 5, 12, 16, 20, 27, and September 2, 9, 2020) on which the company had already performed radiography in Joplin, Missouri. This information is material to the NRC because it is used to determine inspections of the licensee's radiography performed in a Non-Agreement State. (150-00035/2020-002-02)

## **Additional Information**

### PARTIAL LIST OF PERSONS CONTACTED

Sharon Busby, President, Advanced Inspection Technologies, Inc.

### INSPECTION PROCEDURES USED

N/A – NRC Investigation Only

### ITEMS OPENED, CLOSED, AND DISCUSSED

#### Opened

150-00035/2020-002-01	AV	Failure to file for reciprocity three days prior to engaging in activities in federal jurisdiction. (10 CFR 150.20(b)(1))
150-00035/2020-002-02	AV	Failure to provide information that was complete and accurate in all material respects. (10 CFR 30.9(a))

#### Closed

None.

#### Discussed

None.