

January 30, 2007

EA 06-286

George R. Koch
Vice President
TRC Engineers, Inc. (Formerly SITE-Blauvelt Engineering, Inc.)
16000 Commerce Parkway, Suite B
Mount Laurel, NJ 08054

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY -
\$3,250 (NRC Inspection Report No. 03029302/2006001)

Dear Mr. Koch:

This refers to an NRC special inspection conducted between September 6 and October 25, 2006, at your facility in Mount Laurel, New Jersey, and at a temporary job site located in Monroe County, Pennsylvania. At the time of the inspection, your company name was SITE-Blauvelt Engineering, Inc. On November 1, 2006, your license was amended to incorporate your name change to TRC Engineers, Inc.

The purpose of this special inspection was to follow-up on the reported theft of a portable nuclear density gauge containing licensed material which occurred on either the evening of August 29, 2006, or the early morning of August 30, 2006. You reported the theft of the device to the NRC by telephone on August 30, 2006, and followed up this verbal report with a written report dated September 19, 2006, wherein you described your corrective actions taken to prevent recurrence. Although you also notified local authorities and were actively engaged in attempts to retrieve the device, the gauge was not recovered.

As described in the NRC inspection report sent to you on December 5, 2006, an apparent violation of NRC requirements was identified during the NRC inspection and was being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The apparent violation involved the failure to use a minimum of two independent physical controls to secure the aforementioned portable gauge while it was not under the control and surveillance of your staff, contrary to 10 CFR 30.34(i). Specifically, you provided one independent barrier by securing the gauge in a locked container and placing it in a locked shed for overnight storage at the temporary job site. However, you failed to provide a second independent barrier when you did not secure the gauge to the shed.

In the letter transmitting the inspection report, the NRC informed you that a Predecisional Enforcement Conference (PEC), open for public observation, was scheduled for December 20, 2006, to discuss the apparent violation, its cause and your corrective actions. At the PEC, you stated that TRC Engineers takes the security of licensed material and compliance with NRC requirements very seriously, reviewed your attempts to recover the stolen gauge, and described your corrective actions to preclude a recurrence of this event. A summary of the PEC was sent to you on January 8, 2007.

Based on the information developed during the inspection and the information that you provided at the PEC, the NRC has determined that a violation of NRC requirements occurred as stated above. This violation is cited in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty and the circumstances surrounding it are described in detail in the subject inspection report. Although the portable gauge was locked in a box inside a locked storage shed providing one barrier, a second independent tangible barrier did not exist in accordance with the requirements.

The violation is of concern to the NRC because (1) the quantity of radioactive material stolen in this case is greater than 1000 times the quantity specified in Appendix C of 10 CFR 20 and unintended radiation doses to members of the public could occur if the sources in the gauge are removed from their shielded position, and (2) the failure to adhere to the requirements of 10 CFR 30.34(i) contributed to the theft of the gauge. Therefore, this violation is categorized at Severity Level III in accordance with the Enforcement Policy.

In accordance with Section VI.C.2 of the Enforcement Policy, the base civil penalty amount for a Severity Level III violation involving the loss of this type of radioactive material is \$3,250. For violations involving the loss, abandonment, or improper transfer or disposal of a sealed source or device, a civil penalty of at least the base amount, is normally issued. Therefore, to emphasize the importance of maintaining security and control of radioactive material, I have been authorized, after consultation with the Director, Office of Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the base amount of \$3,250 for this Severity Level III violation. In addition, this Notice constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has evaluated your corrective actions for this violation, and found them to be prompt and comprehensive. These corrective actions included, but are not limited to: (1) immediately notifying authorities and attempting to recover the gauge; (2) discussing the event with company directors and authorized gauge users; (3) reviewing, and revising where appropriate, the company Safety Manual to ensure that adequate gauge security requirements were included; (4) re-training authorized gauge operators on your security requirements related to proper storage of gauges at temporary job sites; and, (5) installing necessary equipment at your facility in Mount Laurel so that gauges can be properly secured inside the locked storage room.

The NRC has concluded that the provisions of 10 CFR 2.201, i.e., the information regarding the reasons for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved, is already adequately addressed on the docket in this letter, in the inspection report issued on December 5, 2006, and/or in the additional information you provided at the December 20, 2006, PEC, as documented in the summary report issued on January 8, 2007. Therefore, although you are required to provide a response to the enclosed Notice of Violation and Proposed Imposition of Civil Penalty, you are not required to address the provisions of 10 CFR 2.201 unless the description herein, as well as in the inspection report, does not accurately reflect your corrective actions or your position. In that case, you should follow the instructions specified in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, if you provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). To the extent possible, your response should not include any personal privacy, proprietary or safeguards information so that it can be made available to the public without redaction. The NRC also includes significant enforcement actions on its web site at <http://www.nrc.gov>; select **What We Do, Enforcement**, then **Significant Enforcement Actions**.

We appreciate your cooperation in this matter.

Sincerely,

/RA/ Original Signed by Marc Dapas for

Samuel J. Collins
Regional Administrator

Docket No. 030-29302
License No. 29-27857-01

Enclosures:

1. Notice of Violation and Proposed Imposition of Civil Penalty
2. NUREG/BR-0254 Payment Methods (Licensee only)

cc w/encl (1) only:
State of New Jersey
Commonwealth of Pennsylvania

George R. Koch

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ENCLOSURE

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

TRC Engineers, Inc.
Mount Laurel, New Jersey

Docket No. 030-29302
License No. 29-27857-01
EA 06-286

During an NRC inspection conducted at the TRC Engineers, Inc. (formerly SITE-Blauvelt Engineering, Inc.) facility in Mount Laurel, New Jersey, and at a temporary job site in Monroe, Pennsylvania, between September 6 and October 25, 2006, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the NRC proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The violation and associated civil penalty are listed below:

10 CFR 30.34 (i) requires that each portable gauge licensee use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee.

Contrary to the above, on August 29, 2006, at a temporary job site in Monroe County, Pennsylvania, the licensee did not use a minimum of two independent physical controls that form tangible barriers to secure a portable gauge from unauthorized removal when the portable gauge was not under the control and constant surveillance of the licensee. Specifically, the licensee locked the gauge in its transport container and stored the gauge overnight in a locked shed at the temporary job site (one barrier). The gauge was not secured to the shed and, therefore, a second independent barrier to prevent unauthorized removal was not provided. The licensee notified the NRC on August 30, 2006, that the portable gauge had been stolen.

This is a Severity Level III violation (Supplement IV).
Civil Penalty - \$3,250

The NRC has concluded that information regarding the reasons for the violation, the corrective actions taken to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in this letter, in Inspection Report No. 03029302/2006001 issued on December 5, 2006, and/or in the additional information you provided at the December 20, 2006, PEC, as documented in the summary report issued on January 8, 2007. Therefore, although you are required to provide a response to the Notice and Proposed Imposition of Civil Penalty, you are not required to respond to the provisions of 10 CFR 2.201 unless the description herein, as well as in the inspection report, do not accurately reflect your corrective actions or your position. In that case, or if you choose to respond with additional information, clearly mark your response as a "Reply to a Notice of Violation; EA-06-286," and send it to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice.

The licensee may pay the civil penalty proposed above in accordance with NUREG/BR-0254 (copy enclosed) and by submitting to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, a letter clearly marked "Statement as to Payment of Civil Penalty" indicating when and by what method payment was made.

The licensee may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the licensee fail to answer within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty, an order imposing the civil penalty will be issued. Should the licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violations listed in this Notice, in whole or in part, (2) demonstrate extenuating circumstances, (3) show error in this Notice, or (4) show other reasons why the penalty should not be imposed. In addition to protesting the civil penalty in whole or in part, such answer may request remission or mitigation of the penalty.

In requesting mitigation of the proposed penalty, the factors addressed in Section VI.C.2 of the Enforcement Policy should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalty, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Atomic Energy Act, 42 U.S.C. 2282c.

The responses noted above (Reply to a Notice of Violation; EA-06-286, Statement as to Payment of Civil Penalty, or Answer to a Notice of Violation) should be addressed to: Cynthia Carpenter, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, with a copy addressed to: Samuel Collins, Regional Administrator, U.S. Nuclear Regulatory Commission, Region I, 475 Allendale Road, King of Prussia, PA 19406-1415.

Your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 30th day of January 2007.