

October 28, 2008

EA-08-156
EA-08-166

Mr. Michael Lange, Chief Executive Officer
MISTRAS Holding Group
d/b/a: Conam Inspection and Engineering Services
Quality Services Laboratories, Inc.
161 Tower Drive
Burr Ridge, IL 60527

SUBJECT: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY)
[NRC REACTIVE INSPECTION 030-35114/2008-001(DNMS) AND OFFICE OF
INVESTIGATIONS INVESTIGATION REPORT NO. 3-2007-011 – MISTRAS
HOLDING GROUP/CONAM INSPECTION AND ENGINEERING SERVICES]

Dear Mr. Lange:

The enclosed Confirmatory Order is being issued to MISTRAS Holding Group, doing business as Conam Inspection and Engineering Services, Inc., and Quality Services Laboratories, Inc. (CONAM or licensee) as a result of a successful alternative dispute resolution (ADR) session. The enclosed commitments were made by CONAM as part of a settlement agreement between CONAM and the NRC concerning five apparent violations of NRC requirements.

In a letter dated June 20, 2008, the NRC provided you with the results of the inspection completed by inspectors from both the NRC's Region I and Region III offices and an investigation completed by the NRC Office of Investigations (OI). The purpose of the inspections was to follow up on the events surrounding a potential overexposure that occurred during a radiographic operation on January 27, 2007, and the purpose of the investigation was to determine whether there was any willfulness involved in the radiographer's actions. Our letter noted that, based on the evidence developed during the investigation, two of the apparent violations were willful and that two others were deliberate. A Factual Summary of the OI investigation was enclosed with our letter.

In addition, our June 20, 2008, letter offered you a choice to: (1) attend a Predecisional Enforcement Conference; or (2) request ADR with the NRC in an attempt to resolve any disagreement on whether violations occurred, the appropriate enforcement action, and the appropriate corrective actions.

In response, you requested ADR to resolve differences that you had with the NRC concerning the apparent violations. An ADR mediation session was held on September 10, 2008, at which time a preliminary settlement agreement was reached. The elements of the preliminary agreement were formulated and agreed to at the mediation session and are contained within the enclosed Order.

As part of the settlement agreement, CONAM agreed to take a number of actions including: (1) increasing the number of audits of its radiographers by 25 percent; (2) revising its audit procedures to address the conduct of audits and documentation of results; (3) disseminating "lessons learned" through an online training module; (4) implementing a "safety hotline"; and (5) conducting safety conscious work environment surveys.

In recognition of these actions, and those corrective actions already completed, including your revising the Conam Operating and Emergency Manual to require that: (1) personnel conducting radiography verbally communicate each time the source is retracted; (2) dual, independent verification occur to ensure that the camera lock indicates that the source is secured within the camera; and (3) dual, independent surveys are conducted after radiographic exposures with different survey instruments to verify that the source is properly shielded within the camera, the NRC agreed to not pursue further enforcement action. We will evaluate the implementation of your commitments in future inspections.

We have enclosed a Confirmatory Order (Effective Immediately) to confirm the commitments were made as part of the settlement agreement. As evidenced by your signed "Consent and Hearing Waiver Form" (copy enclosed), dated October 20, 2008, you agreed to the issuance of this letter and Confirmatory Order.

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 this Order may also subject the person to civil monetary penalties.

You are not required to respond to this letter. However, if you choose to provide a response, please provide it to me within 30 days at U.S. Nuclear Regulatory Commission, Region III, 2443 Warrenville Road, Lisle IL 60532. If you have any questions or comments concerning this letter, please contact Mr. Kenneth O'Brien of my staff at 630-810-4373.

A copy of this letter and its enclosures 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>. The NRC will also include this letter, and its enclosed Confirmatory Order, on its website at

M. Lange

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<http://www.nrc.gov/about-nrc/regulatory/enforcement.html>; select **Significant Enforcement Actions**. Your response, if you choose to provide one, will also be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system.

Sincerely,

/RA/

James L. Caldwell
Regional Administrator

Docket No. 030-35114
License No. 12-16559-02

Enclosures:

1. Confirmatory Order
2. Consent and Hearing Waiver Form

cc w/encls: D. Shapiro, Pillsbury Law

cc w/encl 1: State of Illinois
State of Pennsylvania

M. Lange

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State of Pennsylvania

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See next page

*See previous concurrence

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DATE	10/22/08	10/23/08	10/23/08	10/22/08
OFFICE	D:FSME	RIII	RIII	RIII
NAME	Burgess ³	Heck ⁴	O'Brien*	Caldwell
DATE	10/21/08	10/23/08	10/23/08	10/27/08

OFFICIAL RECORD COPY

¹ OE concurrence received via E-mail from S. Woods on October 23, 2008.

² OGC "No Legal Objection" received via E-mail from S. Woods on October 23, 2008.

³ FSME concurrence received via E-mail from S. Woods on October 23, 2008.

⁴ Regional Counsel concurrence received via E-mail from J. Heck on October 23, 2008

Letter to M. Lange from James Caldwell dated October 28, 2008

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