

EXECUTIVE SUMMARY

Laboratory Testing Services, LLC
NRC Inspection Report No. 03037345/2010001

Laboratory Testing Services, Inc. (LTS) was authorized for use and storage of portable moisture density gauges at its facility at 1332 North Avenue, Bridgeport, Connecticut, under NRC License No. 06-31191-01. In February 2010, the Director of Operations (DOO) for LTS notified the NRC that HAKS Material Testing Company, Middletown, Connecticut, had purchased Laboratory Testing Services in January 2010.

The NRC conducted a reactive inspection at LTS on March 24-25, 2010, to review the status of licensed activities and to examine the concerns that were discussed by telephone with the licensee in February 2010. The following concerns with the LTS program were examined: 1) the LTS Radiation Safety Officer left the company in June 2008, but was not replaced; 2) LTS moved the company operations and all the gauges to a different facility at 36 River Street, Bridgeport, Connecticut, a location not authorized on the license; and, 3) LTS assets, including four NRC-licensed nuclear gauges, were acquired by HAKS without NRC consent.

Three apparent violations were identified. The first apparent violation related to the licensee's failure to have a Radiation Safety Officer as required by Condition 12 of the license. The second apparent violation involved the licensee's failure to confine use and storage of portable gauges to the location authorized on the license, as required by 10 CFR 30.34(c). The third apparent violation related to the licensee's failure to obtain NRC written consent before transferring ownership of the license, as required by 10 CFR 30.34(b).

REPORT DETAILS

I. Organization and Scope of the Program

a. Inspection Scope

The inspector reviewed the organization and scope of the licensee's program, reviewed records, and held discussions with the licensee personnel.

b. Observations and Findings

Laboratory Testing Services, Inc. (LTS) was a small privately-owned company, authorized for use and storage of moisture density gauges at 1332 North Avenue, Bridgeport, Connecticut, under License No. 06-31191-01, Amendment 0. In early February 2010, the Director of Operations (DOO) for Laboratory Testing Services (LTS) contacted NRC about overdue NRC fees, and changes in company ownership that had occurred in January 2010. The individual stated that another company, HAKS Material Testing Company (HAKS), Middletown, Connecticut, had taken over all LTS assets including four NRC licensed nuclear gauges, effective January 14, 2010. However, the transfer of ownership was completed without NRC consent, an apparent violation of 10 CFR 30.34(b). He also stated that LTS had moved company operations to a different facility located at 36 River Street, Bridgeport, Connecticut. By letter dated February 19, 2010, the DOO formally notified the NRC that HAKS had purchased Laboratory Testing Services and requested termination of the LTS license.

The NRC conducted a reactive inspection of the LTS, Bridgeport, Connecticut sites on March 24-25, 2010. During discussions with the DOO, he explained that the Radiation Safety Officer (RSO) named on the license, Shawn Machnicz, had left the company in June 2008. The NRC was not notified that the RSO was no longer employed by LTS. The DOO explained that another individual served temporarily as the RSO, followed by direct program oversight by the DOO himself. However, there was no request for an amendment to name either individual as the RSO on the license. As a result, an apparent violation of Condition 12 of License No. 06-31191-01 is identified for failure to have a RSO after June 2008. On February 26, 2010, the licensee requested a license amendment to add the new facility location and appoint a new RSO. NRC amended the LTS license on March 5, 2010, to incorporate these changes.

c. Conclusion

Two apparent violations were identified: (1) On January 14, 2010, Laboratory Testing Services, LLC transferred ownership control of the license to HAKS Material Testing Company without NRC consent, an apparent violation of 10 CFR 30.34(b); and, (2) Condition 12 of License No. 06-31191-01 lists the Radiation Safety Officer as Shawn Machnicz. The Radiation Safety Officer left the company in June 2008, and the licensee did not request a license amendment to replace the RSO, an apparent violation of the license requirement.

II. Material Receipt, Use, Transfer, and Control

a. Inspection Scope

The inspector reviewed the material receipt, use, transfer, and control of the licensee's program, reviewed records, and held discussions with the licensee personnel.

b. Observations and Findings

Discussions with the DOO, LTS and new RSO found that LTS moved into the new building located at 36 River Street, Bridgeport, CT on September 1, 2009. Four portable moisture density gauges shown on the current inventory had been transferred from the previous location, prior to NRC authorization. The licensee stated that LTS continued to use the gauges from the new storage location.

At the new building, gauges were being maintained properly in a designated area to meet NRC storage and security requirements. An attempt was made to inspect the previous storage location, but the building was secured and not accessible. Although a final survey of the building was not performed after the gauges were transferred to the new facility, leak tests results for all gauges were current, and showed no evidence of removable contamination.

An apparent violation is identified for the licensee's failure to confine its possession and use of byproduct material to the locations and purposes authorized by the license, as required by 10 CFR 30.34(c).

On March 11, 2010, HAKS applied for a new NRC license that would take over LTS operations at the new location. Following the LTS inspection, a pre-licensing visit of HAKS was also conducted. The Director of Operations, LTS was given a contract to remain at the HAKS facility as the Operations Manager. Included in the Operations Manager's duties was responsibility for implementation of the NRC licensed program. The RSO, LTS also will remain at the site as the RSO for HAKS. From discussions with both individuals, the inspector noted they were familiar with how to effectively manage details of ongoing program activities. No other program changes were found. The pre-licensing visit determined that HAKS was a financially secure company, and satisfied NRC requirements for a new license. On April 9, 2010, License No. 06-31405-01 was issued to HAKS Material Testing Group, authorizing nuclear gauge use and storage at 36 River Street, Bridgeport, Connecticut.

No further NRC inspection activities of Laboratory Testing Services, LLC are planned. In accordance with the LTS letter dated February 19, 2010, NRC expects to terminate License No. 06-31191-01 pending resolution of any enforcement actions that may be taken.

c. Conclusions

An apparent violation was identified. 10 CFR 30.34(c) requires that each licensee confine his possession and use of byproduct material to the locations and purposes authorized by the license. However, the licensee possessed byproduct material at 36 River Road, Bridgeport, Connecticut, a location not authorized by the license, and continued licensed activities from this new location.

III. Exit Meeting

On April 16, 2010, a telephone exit meeting was held with the DOO, LTS to present the results of the inspection, including the three apparent violations. The DOO acknowledged the findings, stating that licensed activities at the current facility were being conducted under NRC License No. 06-31405-01 (issued to HAKS), and that he was awaiting termination of NRC License No. 06-31191-01, issued to Laboratory Testing Services, LLC.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

Chris Genduso, Director of Operations (DOO)
Neil Russo, Radiation Safety Officer (RSO)