

INSPECTION RECORD

Region III Inspection Report No. 030-32814/10-01
License No. 13-26420-01 Docket No. 030-32814

Licensee (Name and Address):

Strang & Associates
703 Dickman Street
Plymouth, IN 46563-2309

Licensee Contact: Michael Strang – RSO Telephone No. 219-462-1158 ext. 221

Priority: 5 Program Code: 3121

Date of Last Inspection: 10/31/2005 Date of This Inspection: 6/21-22/2010
With continued in-office review until 7/16/10 to
review records related to gauge disposal

Type of Inspection: Initial Announced Unannounced
 Routine Special

Next Inspection Date: 6/2015 Normal Reduced

Summary of Findings and Actions:

- No violations cited, clear U.S. Nuclear Regulatory Commission (NRC) Form 591 or regional letter issued
- Non-cited violations (NCVs)
- Violation(s), Form 591 issued
- Violation(s), regional letter issued
- Followup on previous violations

Inspectors Andrew M. Bramnik
Andrew M. Bramnik, Health Physicist

Date 8/3/10

Approved Tamara E. Bloomer
Tamara E. Bloomer, Chief, MIB

Date 8/3/10

PART I-LICENSE, INSPECTION, INCIDENT/EVENT, AND ENFORCEMENT HISTORY

1. AMENDMENTS AND PROGRAM CHANGES:

<u>Amendment No.</u>	<u>Date</u>	<u>Subject</u>
2	11/25/2002	License Renewal
1	1/13/1994	
0	9/1/1992	New License Issued

2. INSPECTION AND ENFORCEMENT HISTORY:

No violations were identified during the last two inspections on October 31, 2005 and May 2, 2000

3. INCIDENT/EVENT HISTORY:

None

PART II - INSPECTION DOCUMENTATION

1. ORGANIZATION AND SCOPE OF PROGRAM:

Strang & Associates Organizational Structure:

Mr. Strang was the Owner, President, and Radiation Safety Officer (RSO)
Portable Gauge Operators reported to Mr. Strang

Bonar Group Organizational Structure

Company President
Construction Manager
Lead Engineer, RSO

The licensee operated a portable moisture/density gauge program with a main office in Plymouth, Indiana, and was authorized to possess and use sealed sources of cesium-137 and americium-241 at locations where the NRC maintains jurisdiction. The licensee possessed a maximum of one Troxler Model 3440 gauging device at any time. On January 1, 2007, Strang & Associates was sold to Bonar Group, which owned offices in Valparaiso and Fort Wayne, Indiana. When not being used by trained operators at temporary job sites, the gauge was stored at the Plymouth office until April 6, 2009. Between April 6 and September 14, 2009, the gauge was stored at a temporary job site when not in use at that location. On September 14, 2009, the gauge was moved from a temporary job site to the Bonar Group office in Fort Wayne, Indiana, where it remained until being shipped to Troxler for disposal on December 21, 2009.

2. SCOPE OF INSPECTION:

Inspection Procedure(s) Used: 87124

Focus Areas Evaluated: Sections 03.01 through 03.07

This inspection included observation of the building exterior at the licensee's authorized storage location in Plymouth, Indiana, as well as inspection activities at the Bonar Group office in Valparaiso, Indiana. At the Plymouth location, the doors were locked and the building had been vacated. At the Valparaiso office, the inspector conducted a review of records and interviewed the RSO. The inspector also interviewed a representative of Bonar Group management by telephone.

3. INDEPENDENT AND CONFIRMATORY MEASUREMENTS:

No byproduct material was available for surveying as the licensee had shipped their gauge to Troxler on December 21, 2009. The licensee's leak test records did not indicate any leakage from the sealed sources. The RSO stated that he kept the gauge clean and well-maintained, and that no leaking sources had ever been identified.

4. **VIOLATIONS, NCVs, AND OTHER SAFETY ISSUES:**

The inspector reviewed available licensee records including leak test results, dosimetry reports, training certifications, utilization logs, records of the company's sale to Bonar Group, and communications from Troxler. Within this review, no leaking sources were identified, no individuals had exceeded any occupational dose limits, and gauge operators appeared to have completed the required training. Between May 21, 2008, and June 28, 2009, utilization logs indicated that the gauge was transported only to temporary job sites within the state of Indiana, excluding one shipment to Troxler for routine calibration. On September 14, 2009, the gauge was transported to the Bonar Group office in Fort Wayne, Indiana, for storage prior to disposal. The licensee shipped the gauge to Troxler on December 21, 2009. On January 4, 2010, Troxler sent the licensee a letter confirming receipt and transfer of ownership of the gauge for the purpose of disposal. Two violations of NRC requirements were identified:

- A. Title 10 Code of Federal Regulations (CFR) 30.34(b) requires, in part, that no NRC license nor any right under the license shall be transferred, assigned or in any other manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

Contrary to the above, on January 1, 2007, control of NRC License No. 13-26420-01 was transferred to another person without prior written consent from the Commission. Specifically, control of NRC License No. 13-26420-01 was transferred from Strang & Associates to Bonar Group through Bonar Group's purchase of all of the rights, titles, and interest in and to the assets of Strang & Associates, without prior written consent from the Commission.

The root cause of this violation was that the licensee was unaware of the requirements in 10 CFR 30.34(b) to receive NRC consent prior to a change of ownership. After the ownership had changed, the licensee had attempted to update the ownership name on their NRC license through conversations with the Accounts Receivable/Payable Branch of the Office of the Chief Financial Officer (OCFO). The licensee had also attempted to include correspondence attesting to the change in ownership with their annual fee submittal over three years.

As corrective actions, on July 15, 2010, the licensee submitted documentation to the Region III Materials Licensing Branch (MLB) to terminate their NRC license. The licensee does not intend to restart portable moisture/density gauge operations, and does not foresee obtaining an NRC license in the future.

This is a Severity Level IV violation (Supplement VI).

- B. 10 CFR 30.34(c) requires, in part, that each licensee confine his possession and use of byproduct material to the locations and purposes authorized by the license.

Contrary to the above, between September 14 and December 21, 2009, the licensee did not confine its possession of byproduct material to the location authorized by the license. Specifically, the licensee stored a device containing sealed sources of cesium-137 and

americium-241 at 1502 Magnavox Way, Fort Wayne, Indiana, 46804, a location not authorized by the license.

The root cause of this violation was that the licensee misunderstood of the requirements in 10 CFR 30.34(c) to confine its storage of the gauge to the address authorized by the license. Prior to September, 2009, the licensee had intended to amend its license to remove the Plymouth office from the license and add the Fort Wayne office as a permanent storage location. In September and October of 2009, the licensee decided instead to cease operations with the gauge and terminate its NRC license. The licensee had stored the gauge at the Fort Wayne office incident to disposal because the Fort Wayne airport was the closest in Indiana that could ship Hazardous Material, and because the personnel completing disposal activities were located there. The licensee misunderstood the requirements in 10 CFR 30.34(c) in believing that a license amendment was not required prior to storing the gauge at the Fort Wayne office because it was not a permanent storage location or a temporary job site.

As a contributing cause, the gauge was stored for three months because of difficulties the licensee experienced gathering information about how to dispose of the gauge. As mentioned above, the licensee had attempted to obtain the information about gauge disposal through the OCFO, and was not in contact with the Region III MLB. There was no indication that the gauge was stored improperly or insecurely from interviews with the RSO.

As corrective actions, the licensee shipped the gauge to Troxler for disposal on December 21, 2009. Documentation from Troxler acknowledging the receipt of the gauge, and transfer of ownership of the gauge was submitted to the NRC on July 15, 2010. No additional byproduct material was stored at the Fort Wayne office.

This is a Severity Level IV violation (Supplement VI).

5. **PERSONNEL CONTACTED:**

#*& Michael Strang, RSO
& Gary Randle, Construction Manager, Bonar Group

Use the following identification symbols:

- # Individual(s) present at June 22, 2010 entrance meeting
- * Individual(s) present at June 22, 2010 preliminary on-site exit meeting
- & Individual(s) present at July 16, 2010 telephone exit meeting

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