



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

September 15, 2010

Kakivik Asset Management, LLC
ATTN: A. Ben Schoffmann
President & CEO
111 West 16th Avenue, Suite 100
Anchorage, Alaska 99501

SUBJECT: NRC INSPECTION REPORT 030-35371/2010-001 AND NOTICE OF VIOLATION

Dear Mr. Schoffmann:

This refers to the inspection conducted at your facility in Anchorage, Alaska, on August 25, 2010, with continued in office review until September 14, 2010. The inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of the license. Within these areas, the inspection consisted of selected examination of procedures and representative records and interviews with personnel. Preliminary inspection findings were discussed with Mr. Keenan Remele and Mr. Ray Shepard at the conclusion of the onsite portion of the inspection. A final exit briefing was conducted telephonically with you on September 14, 2010.

Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is cited in the enclosed Notice of Violation (Notice). The violation is being cited in the Notice because it was identified by the NRC prior to the inspection and confirmed during the inspection.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. For your consideration and convenience, an excerpt from NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," is enclosed. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and 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>. 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.

Should you have any questions regarding this letter or the enclosed Notice, please contact Mr. Jason Razo at (817) 276-6589 or the undersigned at (817) 860-8287.

Sincerely,

/RA James L. Thompson for/

Vivian H. Campbell, Chief
Nuclear Materials Safety Branch A

Docket: 030-35371
License: 50-27667-01

Enclosures:

1. Notice of Violation
2. Information Notice 96-28

cc w/Enclosure 1:

Alaska Radiation Control Program Director

bcc w/Enclosure 1 (via ADAMS distrib):

ECollins

AHowell

CCain

VCampbell

JWhitten

RITS Coordinator

NMSB-A

RIV Materials Docket File (5th Floor)

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R:_DNMS

ADAMS: ☐ No ☒ Yes	☒ SUNSI Review Complete	Reviewer Initials: JMR	
	☒ Publicly Available	☒ Non-Sensitive	
Category A.	☐ Non-publicly Available	☐ Sensitive	
KEYWORD: .			
MSB-A	C:MSB-A		
JMRazo	VHCampbell		
/RA/	/RA JLT for/		
09/14/2010	09/15/2010		

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

NOTICE OF VIOLATION

Kakivik Asset Management, LLC
Anchorage, Alaska

Docket: 030-35371
License: 50-27667-01

During an NRC inspection conducted from August 25 through September 14, 2010, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 20.2207(c) states, in part, that each licensee that receives a nationally tracked source shall complete and submit a National Source Tracking Transaction Report.

10 CFR 20.2207(f) requires, in part, that the report be submitted by the close of the next business day after the transaction.

Contrary to the above, the licensee received a nationally tracked source on June 22, and failed to complete and submit a National Source Tracking Transaction Report by the close of the next business day after the transaction. Specifically, the licensee received a nationally tracked source at a temporary job site in Kenai, Alaska, and failed to submit a National Source Tracking Transaction Report until August 20, 2010.

This is a Severity Level IV violation. (EGM-09-007 Rev. 1)

Pursuant to the provisions of 10 CFR 2.201, Kakivik Asset Management, LLC, is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, 612 E. Lamar Blvd., Suite 400, Arlington, Texas, 76011, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for the violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level, (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 was, or will be, achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because 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> to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your

ENCLOSURE 1

response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 14th day of September 2010