



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

March 22, 2011

EA-10-259

Mr. Andrew Suedekamp, President
Ground Engineering Consultants, Inc.
41 Inverness Drive East
Englewood, Colorado 80112-5412

SUBJECT: NRC INSPECTION REPORT 030-36550/2010-002 AND NOTICE OF VIOLATION

Dear Mr. Suedekamp:

This refers to the unannounced inspection conducted on November 18, 2010, at your field office in Casper, Wyoming. The inspection was an examination of activities conducted under NRC Materials License 05-27772-01 as it relates to radiation safety and security and to compliance with the Commission's rules and regulations, as well as the conditions of the license. Within these areas, the inspection consisted of selected examination of representative records and interviews with personnel. Preliminary inspection findings were discussed with your staff at the conclusion of the onsite portion of the inspection. A final exit briefing was conducted telephonically with Mr. James Kolwalski, Radiation Safety Officer, on February 18, 2011. The enclosed report presents the results of this inspection.

During the telephonic exit briefing, Mr. Michael Vasquez and Ms. Martha Poston-Brown of my staff informed Mr. Kowalski that the NRC was considering escalated enforcement for an apparent violation involving the failure to use a minimum of two independent physical controls to secure portable gauges whenever portable gauges are not under control and constant surveillance, as required by 10 CFR 30.34(i). Mr. Vasquez also informed Mr. Kowalski that the NRC had sufficient information regarding the violation and your corrective action to make an enforcement decision without the need for a predecisional enforcement conference or a written response from you. Mr. Kowalski agreed that a predecisional enforcement conference or written response was not needed.

Based on the information developed during the inspection, the NRC has determined that one violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The NRC considers violations of 10 CFR 30.34(i) significant because the security requirements provide a reasonable assurance that licensed material stored in controlled or unrestricted areas will be secured from unauthorized use, removal, or access. Therefore, this violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level III. The NRC Enforcement Policy may be found on the NRC website at www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html.

In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$3500 is considered for a Severity Level III violation.

Because your facility has not been the subject of escalated enforcement actions within the last two inspections, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. Based on your prompt and comprehensive corrective actions, the NRC has determined that *Corrective Action* credit is warranted. Your corrective actions included the addition of an extra hasp and lock to the storage room door, a lock and closure mechanism to the door separating the office area from the storage area, and a chime to the main office door.

Therefore, to encourage prompt and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this Severity Level III violation constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that the information regarding the reason for the violation, the corrective action taken and planned to correct the violation and prevent recurrence, and the date when full compliance will be achieved is already adequately addressed on the docket in NRC Inspection Report 030-36550/2010-002 and in correspondence from the licensee dated January 12, 2011 (ML110270041). Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's Rules of Practice, a copy of this letter, its enclosures, and your response, if you decide to provide one, 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's 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. If personal privacy or proprietary information is necessary to provide an acceptable response, please provide a bracketed copy of your 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 information, 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). The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>.

Should you have any questions regarding this letter or the enclosed Notice or report, please contact Ms. Vivian Campbell, Chief, Nuclear Materials Safety Branch A, at 817-860-8287.

Sincerely,

/RA/ ATH

Elmo E. Collins
Regional Administrator

Docket: 030-36550
License: 05-27772-01

Enclosures:

1. Notice of Violation
2. Inspection Report 030-36550/2010-002

cc w/Enclosures 1 and 2:
Scott W. Ramsay
Radiological Services Supervisor
Wyoming Office of Homeland Security
2421 E. 7th Street
Cheyenne, Wyoming 82001

Steve Tarlton, Manager, Radiation Program
Colorado Department of Public Health
and Environment
HMWMD-B2
3400 Cherry Creek Drive South
Denver, Colorado 80246-1530

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Hard copy:

DNMS Docket File

DNMS Secretarial File

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<input checked="" type="checkbox"/> Publicly Available	<input type="checkbox"/> Non-publicly Available	<input type="checkbox"/> Sensitive	<input checked="" type="checkbox"/> Non-sensitive	
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MRPoston-Brown	GMVasquez	VHCampbell	MCMaier	
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RC	D:DNMS	DRA	RA	
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NOTICE OF VIOLATION

Ground Engineering Consultants, Inc.
Englewood, Colorado

Docket 030-36550
License 05-2772-01
EA-10-259

During an NRC inspection conducted on November 18, 2010, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below.

10 CFR 30.34(i) states that each portable gauge licensee shall 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 November 18, 2010, the licensee failed to 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 its control and constant surveillance. Specifically, the licensee stored portable gauges at its Casper, Wyoming, field office and the storage room had only one lock to provide a tangible barrier to secure the portable gauges from unauthorized removal.

This is a Severity Level III violation (Section 6.3.c)

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to be taken to correct the violation and prevent recurrence, and the date when full compliance will be achieved, is already adequately addressed on the docket in NRC Inspection Report 030-36550/2010-002 and in correspondence from the licensee dated January 12, 2011 (ML110270041). However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation; EA-10-259", and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region IV, within 30 days of the date of the letter transmitting this Notice of Violation.

If you choose to respond, 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's Web site at www.nrc.gov/reading-rm/pdr.html or 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 are required to post this Notice within two working days of receipt.

Dated this 22nd day of March 2011

U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Inspection: 030-36550/2010-002

Docket: 030-36550

License: 05-27772-01

EA: 2010-259

Licensee: Ground Engineering Consultants, Inc.
41 Inverness Drive East
Englewood, CO 80112-5412

Location Inspected: 412 North Fenway, Casper, WY (Field office)

Inspection Date: November 18, 2010

Inspector: Martha Poston-Brown, Health Physicist
Nuclear Materials Safety Branch A
Division of Nuclear Materials Safety

Accompanied and
Approved By: Vivian Campbell, Chief
Nuclear Materials Safety Branch A
Division of Nuclear Materials Safety

EXECUTIVE SUMMARY

Ground Engineering Consultants, Inc
NRC Inspection Report 030-36550/2010-002

This was an unannounced inspection of licensed materials involving the use and storage of byproduct material at a recently opened field office operated by Ground Engineering Consultants, Inc. in Casper, Wyoming. The inspection was an examination of activities conducted under NRC materials License 05-27772-01 as they related to radiation safety and security and to compliance with the Commission's rules and regulations, as well as the conditions of the license. Within these areas, the inspection consisted of observations of activities and interviews with personnel. This report describes the findings of the inspection.

Program Overview

Ground Engineering Consultants, Inc. is authorized to use and store byproduct material (cesium-137 and americium-241) in the operation of portable moisture density gauging devices at its facility in Casper, Wyoming, and at temporary jobsites in areas of NRC jurisdiction.

Inspection Findings Associated with Escalated Enforcement

The licensee failed to use a minimum of two independent physical controls that form a tangible barrier to secure portable gauges from unauthorized removal, whenever the gauges were not under the control and constant surveillance of the licensee. Specifically, the portable gauges were in a storage room with only one lock on the storage room door. This was identified as a violation of 10 CFR 30.34(i).

Inspection Findings not Considered for Escalated Enforcement

None

Corrective Actions

Field office staff added a hasp with a keyed padlock to the door to provide a second tangible barrier. The Senior Authorized Gauge User who supports the Radiation Safety Officer controls the padlock key.

REPORT DETAILS

1 Program Overview (87124)

1.1 Inspection Scope

NRC Materials License 05-27772-01 authorizes the licensee to possess and use byproduct material in portable moisture density gauges. The licensee performs work at temporary jobsites in NRC jurisdiction.

This unannounced field office inspection consisted of a review of the conditions found at the field office, interviews with licensee staff, and examination of the gauge storage location at the field office in Casper, Wyoming, on November 18, 2010

1.2 Observations and Findings

Ground Engineering Consultants possesses an NRC specific materials license to use portable density gauges containing cesium-137 and americium-241 within NRC jurisdiction. Ground Engineering Consultants performs work in the states of Idaho and Wyoming under the authorization of its NRC license.

2 Inspection Findings (87124)

2.1 Inspection Scope

Licensed activities were examined as they relate to the safety and security of the radioactive materials and the licensee's policies and procedures for handling radioactive materials at the field office only.

2.2 Observations and Findings considered for Escalated Enforcement

10 CFR 30.34(i) requires that each portable gauge licensee shall 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.

On November 18, 2010, the inspectors arrived at the recently opened field office to perform an unannounced inspection. The Radiation Safety Officer (RSO) was not available as he is located in Colorado, so the inspectors conducted their inspection with the assistance of the authorized gauge users. The RSO was notified via telephone of our inspection. The gauges were located in a storage room inside the industrial building. There was only one lock on the door, and the gauges were not secured in any other manner that would prevent unauthorized removal. Therefore only one physical control (locked storage room door) was in place to prevent unauthorized removal of the gauges.

2.3 Conclusion

One violation was identified for the failure to use a minimum of two independent physical controls that form a tangible barrier to secure portable gauges from unauthorized removal, whenever the portable gauges are not under the control and constant surveillance of the licensee as required by 10 CFR 30.34(i). (030-36550/2010002-01)

3. **Corrective Actions**

During the inspection on November 18, 2010, the licensee added a hasp and padlock to the storage room door to provide the second tangible barrier. The key for this padlock was secured by the Senior Authorized Gauge user, who is supporting the radiation safety program at the site. By email dated January 12, 2011 (ML110270041), the licensee confirmed its corrective actions and developed additional corrective actions.

4. **Exit Meeting Summary**

A preliminary exit briefing was conducted at the conclusion of the onsite inspection with the authorized gauge users. A telephonic exit briefing was conducted with the Radiation Safety Officer on February 18, 2011, to review the inspection findings as presented in this report. No proprietary information was identified.

PARTIAL LIST OF PERSONS CONTACTED

Jason Palm, Senior Authorized Gauge User+*
Carl Henderson, Authorized Gauge User+*
Jerr Rosseler, Gauge User in Training+*
Tom Buel, Project Manager+*
James B. Kowalsky, RSO#*

+Individual contacted for on-site exit meeting on November 18, 2010

*Individual contacted during the on-site entrance on November 18, 2010

#Individual contacted for exit meeting by telephone on February 18, 2011

INSPECTION PROCEDURES USED

87124 Fixed and Portable Gauge Programs

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

030-36550/2010-002-01 VIO Failure to use two independent physical controls that form tangible barriers to secure a portable gauge from unauthorized removal.

Closed

None

Discussed

None

LIST OF ACROYMNS USED

VIO Violation
CFR *Code of Federal Regulations*
EA Enforcement Action
NRC Nuclear Regulatory Commission
RSO Radiation Safety Officer