



Quality Inspection & Testing, Inc.

3808 Commercial Drive
New Iberia, LA 70560
PHONE: (337) 359-8660
FAX: (337) 359-8659

RECEIVED

SEP 04 2012

DNMS

August 30, 2012

US NRC
Region IV
1600 East Lamar Blvd.
Arlington, TX. 76011-4511
Attention: Michael Vasquez

RE: Confirmatory Order – EA-11-124

Dear Michael,

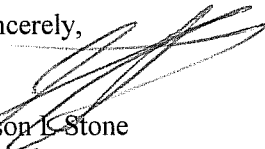
In accordance with the confirmatory order listed above, I am submitting 2 documents for your review. The first document is our Company Policy Statement as required in Paragraph A, Page 4. The second document for you review is the personal letter that I wrote and mailed to every employee @ Quality Inspection.

I have also attached a copy of our new “SAFETY CULTURE POLICY STATEMENT” for your review. These will be laminated and posted at every physical location that I have, as well as placed in every vehicle I own.

I want to ensure the NRC that we are working very diligently to address and close each item in the CO. My next plan of attack will be contracting and external trainer to help my HSE Manager and myself re-write our training policies in accordance with the CO.

If you have any questions, please feel free to call me at the number listed above.

Sincerely,



Jason K. Stone
President

7080 Mayard Rd.
Houston, TX 77041
PHONE: (713) 896-8097
FAX: (713) 896-8892

215 South 1000 East
Vernal, UT 84078
PHONE: (435) 781-1225
FAX: (435) 781-1228



Quality Inspection & Testing, Inc.

3808 Commercial Drive
New Iberia, LA 70560
PHONE: (337) 359-8660
FAX: (337) 359- 8659

August 29, 2012

RE: Reporting Safety Concerns

To All,

I am writing this letter to open a discussion on reporting and communicating safety concerns to management personnel. I want every employee to know that we value your honesty, your ethics, and your opinion in identifying and communicating concerns to management personnel, as well as the overall implementation and compliance with Federal and State rules and regulations.

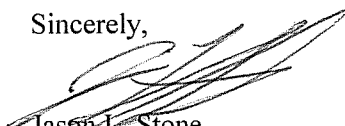
I want every manager and employee to know that we have an "open-door" policy. This policy allows employees to voice their concerns to their direct supervisor, the HSE Manger, or me - the Owner of the company. I want our managers and employees to be engaged and involved in the everyday operations where safety is concerned.

I also want everyone to know, managers and employees alike, that you will not suffer any consequences, retaliations, or harassment for voicing your concerns to management. I will personally guarantee your concerns will be addressed and dealt with immediately. We want to achieve and maintain an environment where employees feel free to raise their concerns directly to their supervisors and if necessary, allowing them access to other means of raising and addressing their concerns, such as any State (Louisiana DEQ) or Federal (NRC) agency.

I am also writing to inform you that we are implementing a new "Safety Culture Policy" for Quality Inspection. This policy is necessary to change the current culture of our industry, where safety is secondary and only major issues are conveyed to management. We want openness and honesty from our employees, and we will reward good behavior. We are implementing a safety award program that we be effective on October 1st, 2012. This will be a quarterly bonus program that will reward perfection. I will release all of the details to your direct supervisors and they will relay the requirements and rewards associated with the bonus program.

I have put my heart and soul into this company and I want to thank everyone for their help. We would not exist without our employees and we value your opinion, your honesty, and your hard work. If you have any concerns please let me know and we can work together to solve them.

Sincerely,



Jason L. Stone
President

7080 Mayard Rd.
Houston, TX 77041
PHONE: (713) 896-8097
FAX: (713) 896-8892

215 South 1000 East
Vernal, UT 84078
PHONE: (435) 781-1225
FAX: (435) 781-1228



Quality Inspection & Testing, Inc.

3808 Commercial Drive
New Iberia, LA 70560
PHONE: (337) 359-8660
FAX: (337) 359- 8659

August 29, 2012

RE: Company Policy Statement concerning Safety and Security

To All,

This statement is being issued in reference to a Confirmatory Order – EA-11-124 that we received from the US Nuclear Regulatory Control on August 10, 2012.

This order was issued after the NRC conducted an inspection at a temporary jobsite in Rock Springs, Wyoming. Two (2) QI&TI employees were found to have violated the rules and regulations listed below:

- 1) Failure to control and maintain constant surveillance of licensed material that is not in storage
- 2) Violation of the required security measures set forth in our increased control program
- 3) Failure to wear, on the trunk of the body, a direct reading dosimeter, an alarming rate meter, and a film badge
- 4) Failure to maintain copies of the specific records and documents required at temporary jobsites.

The NRC furthermore concluded that several of these violations were **DELIBERATE** and **WILLFUL!** Listed below, I will discuss each and every violation, what penalties were suffered, and how we feel about these violations from managements' perspective.

7080 Mayard Rd.
Houston, TX 77041
PHONE: (713) 896-8097
FAX: (713) 896-8892

215 South 1000 East
Vernal, UT 84078
PHONE: (435) 781-1225
FAX: (435) 781-1228

VIOLATIONS

Violation #1 – Failure to control and maintain constant surveillance of licensed material that is not in storage

- a. Both QI&TI employees were in the darkroom, developing film for approximately 15 minutes. The camera was left outside, with no supervision, and was still connected to the crank-out. *This was considered a Deliberate and Willful Violation!*

Violation #2 – Violation of the required security measures set forth in our increased control program

- a. The camera was left unattended for approximately 15 minutes. Our policies and procedures require constant surveillance of any and all sources while not in storage. Both the technician and the helper were trained and determined to be trustworthy and reliable. *This was considered a Deliberate and Willful Violation!*

Violation #3 – Failure to wear, on the trunk of the body, a dosimeter, rate meter, or film badge

- a. Both QI&TI employees were in violation of Federal and State regulations concerning radiation safety practices and procedures. Both employees had their safety equipment in the vehicle and deliberately refused to wear it. *This was considered a Deliberate and Willful Violation!*

Violation #4 - Failure to maintain copies of the specific records and documents required at temporary jobsites

- a. The employees loaded out a new vehicle for this project. The manager at the time was rushing them to “hurry up” and cover a job. These employees made the decision to leave the office with just the equipment necessary to complete the project. They did not have the Louisiana Regulations, the NRC Regulations, the Notice to Employees forms, or the required Survey Sheets / Transportation Documents!

7080 Mayard Rd.
Houston, TX 77041
PHONE: (713) 896-8097
FAX: (713) 896-8892

215 South 1000 East
Vernal, UT 84078
PHONE: (435) 781-1225
FAX: (435) 781-1228

PENALTIES

- 1) Quality Inspection & Testing, Inc. was hereby ordered to pay a CIVIL FINE to the US NRC for the violations committed by your fellow employees.
- 2) QI&TI was ordered to hire an "External Contractor" to write a new training program regarding the NRC's enforcement policy, the different types of willful disregard and deliberate misconduct, the potential enforcement sanctions that the NRC may take, the potential criminal sanctions that the Department of Justice may take against the employee, and the Ethics of complying with regulatory requirements.
- 3) After the External Contractor's new training program is completed, it must be submitted to the NRC for approval. Upon approval, the External Contractor will train our Safety Representatives on the new program.
- 4) After our Safety Representatives receive the new training, every employee at QI&TI is required to be retrained and tested on the new program.
- 5) QI&TI will have to revise the Operating and Emergency Procedures in accordance with the new training program.

7080 Mayard Rd.
Houston, TX 77041
PHONE: (713) 896-8097
FAX: (713) 896-8892

215 South 1000 East
Vernal, UT 84078
PHONE: (435) 781-1225
FAX: (435) 781-1228

MANAGEMENTS' PERSPECTIVE

These violations are completely unacceptable in accordance with our Radiation Safety Program, our Safety Manual, and our Operating and Emergency Procedures. Deliberate and Willful violations will not be tolerated or accepted by anyone at Quality Inspection. We feel that both Management and Employees are responsible for the implementation and enforcement of these programs.

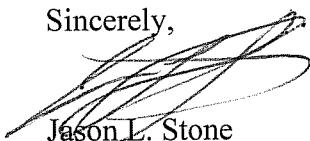
These deliberate and willful violations have caused a great financial burden for Quality Inspection. Instead of spending money on new employees, new equipment, employee raises, or bonuses; we are spending it on civil fines and new training programs – because 2 employees and their manager took it upon themselves to deliberately break the law. Every deliberate violation is submitted to the Department of Justice in Washington DC for prosecution. The DOJ decided not to prosecute these two individuals, instead allowing the NRC to enforce and punish them, along with QI&TI.

QI&TI is pursuing the NRC and the Agreements states to “PULL” the State issued Radiation Safety Training Cards for these 2 employees and the manager involved. We will do whatever is necessary to enforce the rules and regulations as required by Federal and State Law, including banishment from our industry. We will help the State and Federal agencies prosecute and punish any employee that commits a Deliberate and Willful Violation.

From this point forward, QI&TI has a ZERO-Tolerance policy on Radiation Safety Violations. It does not matter is the violation was committed out of willful disregard or pure ignorance. It is our feeling that every employee has been trained by an approved training facility in regards to the 40 hour radiation safety training program, that every employee has received his ON-THE-JOB training with an approved instructor, and that every employee will be reminded and re-trained after the “External Contractor” has completed and issued the program.

As the owner of this company, I feel that I have Honest, Ethical, and Responsible managers and employees working with me. I am asking for everyone’s help with the implementation and enforcement of these rules. I have attached our new “Safety Culture Policy” for your review. The Safety Culture Policy Statement will be posted at every physical address and in every vehicle / darkroom that is owned by QI&TI.

Sincerely,



Jason L. Stone
President

7080 Mayard Rd.
Houston, TX 77041
PHONE: (713) 896-8097
FAX: (713) 896-8892

215 South 1000 East
Vernal, UT 84078
PHONE: (435) 781-1225
FAX: (435) 781-1228



Quality Inspection & Testing, Inc.

3808 Commercial Drive
New Iberia, LA 70560
PHONE: (337) 359-8660
FAX: (337) 359- 8659

SAFETY CULTURE POLICY STATEMENT

“THE CORE VALUES AND BEHAVIORS RESULTING FROM A COLLECTIVE COMMITMENT BY LEADERS AND INDIVIDUALS TO EMPHASIZE SAFETY AND TO ENSURE PROTECTION OF PEOPLE AND THE ENVIRONMENT”

Our Beliefs

- 1) Management demonstrates a commitment to safety in their decisions and behavior
- 2) Issues potentially impacting safety are identified, fully evaluated, and promptly addressed and corrected
- 3) All individuals take personal responsibility for safety
- 4) The process of planning and controlling work activities is implemented so that safety is maintained
- 5) Opportunities to learn about ways to ensure safety are sought out and implemented
- 6) A safety conscious work environment is maintained where personnel feel free to raise safety concerns without fear of retaliation, intimidation, harassment, or discrimination
- 7) Communications maintain a focus on safety
- 8) Trust and respect permeate throughout the organization
- 9) Individuals avoid complacency and continuously challenge existing conditions and activities in order to identify discrepancies that might result in deficiencies or inappropriate action

7080 Mayard Rd.
Houston, TX 77041
PHONE: (713) 896-8097
FAX: (713) 896-8892

215 South 1000 East
Vernal, UT 84078
PHONE: (435) 781-1225
FAX: (435) 781-1228