



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!

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.

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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 the NRC, and 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

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Vernal, UT 84078
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FAX: (435) 781-1228

Hanson, Latischa

From: Hanson, Latischa
Sent: Tuesday, October 02, 2012 4:37 PM
To: 'Jason Stone'
Subject: RE: *CONTAINS SENSITIVE INFORMATION* EA-11-124 Confirmatory Order (CO) 30-day Response Letter

This is great. I will replace the edited correspondence for previously submitted labeled Re: Reporting Safety Concerns dated August 29, 2012. Thank you for your response in supplying this requested information.

Latischa

From: Jason Stone [mailto:Jason@qiti.org]
Sent: Tuesday, October 02, 2012 4:28 PM
To: Hanson, Latischa
Subject: RE: *CONTAINS SENSITIVE INFORMATION* EA-11-124 Confirmatory Order (CO) 30-day Response Letter

Latischa,

What exactly do you want me to add. I feel that everything I stated complies with the order issued. If there is a specific sentence that you want added, please highlight the area on my letter and handwrite what you need.

I added a statement at the end of the 1st paragraph that says – “as well as the overall compliance with NRC Regulations” I also added the NRC to the company policy statement as well.

If there is something else, please let me know.

Thanks,
Jason

From: Hanson, Latischa [mailto:Latischa.Hanson@nrc.gov]
Sent: Tuesday, October 02, 2012 2:09 PM
To: Jason Stone
Subject: FW: *CONTAINS SENSITIVE INFORMATION* EA-11-124 Confirmatory Order (CO) 30-day Response Letter

Resending as per your voice mail request.

From: Hanson, Latischa
Sent: Thursday, September 20, 2012 4:43 PM
To: 'Jason Stone'
Cc: Vasquez, Michael
Subject: *CONTAINS SENSITIVE INFORMATION* EA-11-124 Confirmatory Order (CO) 30-day Response Letter

Jason,

As per our telephonic discussion today, we are in receipt of your **EA-11-124 Confirmatory Order (CO) 30-day Response Letter**. Upon review of your letter and its enclosures, please find below the information we discussed to be included in your *personal letter to employees regarding your expectations in identifying and communicating concerns to QIT*

management, as well as overall compliance with NRC regulations (Confirmatory Order Section III, page 4, items A. & B.):

I. Background Information

Confirmatory Order language (Section III, page 4):

QIT also agreed to take the following actions to address the apparent violations:

- A. Within 30 days of the date of the Confirmatory Order, QIT will issue a company policy statement to its employees regarding how unacceptable deliberate violations are, the importance of maintain security over licensed material, and the ethics of complying with regulatory requirements. A copy of the policy statement will be provided to the NRC.
- B. Within 30 days of the date of the Confirmatory Order, the president of QIT will issue a personal letter to employees regarding his expectations in identifying and communicating concerns to QIT management, as well as overall compliance with NRC regulations.

II. NRC Review Information

- 1) Your letter containing the heading **RE: Reporting Safety Concerns** consisted of the following first paragraph:

To All,

I am writing this open letter to open a discussion on reporting and communicating safety concerns to personnel management. 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.

The highlighted area in your letter appears to meet the highlighted action request in the CO.

- 2) Your letter containing the heading **RE: COMPANY POLICY STATEMENT concerning SAFETY and SECURITY** consisted of the following:
MANGEMENTS' PERSPECTIVE

1st paragraph:

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.

3rd & 4th paragraphs:

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 hi 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.

The highlighted areas above from your letter enclosures address QI&TI's Radiation Safety Program, Radiation Safety Manual, and Operating Procedures.

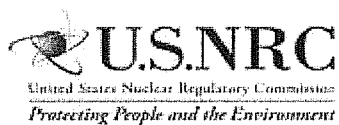
*In the **I. Background Information** at the top of this email of this, please see the highlighted overall compliance with NRC regulations, where the CO's action request to the president of QIT to issue a personal letter with this information included.*

I have attached a copy of order & your letter dated August 30, 2012 for your convenience, to assist you adding the additional information. If you have any questions, feel free to contact me or Michael Vasquez at Michael.Vasquez@nrc.gov.

Upon receipt of the requested information, we will proceed with the reviewing of this portion of your Confirmatory Order compliance.

Thank you for our prompt response.

Latischa



Latischa Hanson, M.Sc., Health Physicist
USNRC/DNMS Region IV
1600 E. Lamar Blvd.
Arlington, TX 76011-4511
(817) 200-1286 (o)
(817) 200-1188 (f)
Latischa.Hanson@nrc.gov