



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

November 7, 2012

EA-12-134

Mr. Robert Van Namen
Senior Vice President, Uranium Enrichment
United States Enrichment Corporation
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

SUBJECT: NUCLEAR REGULATORY COMMISSION INSPECTION REPORT 70-7001/2012-401 AND NOTICE OF VIOLATION (NUCLEAR REGULATORY COMMISSION OFFICE OF INVESTIGATIONS REPORT 2-2012-10)

Dear Mr. Van Namen:

On September 11, 2012, the NRC documented an apparent violation regarding activities at USEC's Paducah facility, involving the requirements of 10 CFR 76.9, Completeness and Accuracy of Information. The apparent violation was being considered for escalated enforcement, and involved a potential willful aspect based on an investigation conducted by the NRC's Office of Investigations (OI Report 2-2012-10). The NRC's letter of September 11, 2012, offered USEC the opportunity to provide a written response to the apparent violation, request a pre-decisional enforcement conference, or request Alternative Dispute Resolution (ADR). In lieu of a pre-decisional enforcement or request for ADR, USEC provided a written response to the apparent violation, dated September 20, 2012.

Based on the information developed during the investigation and the information provided in USEC's letter of September 20, 2012, the NRC has determined that a violation of NRC requirements occurred. The violation, characterized at Severity Level IV, is cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding it are described in detail in our letter of September 11, 2012. In summary, the violation involved the failure to maintain information that was not complete and accurate in all material respects. Specifically, a laborer employed by Murtco, an Approved Supplier List (ASL) contractor for USEC, signed and submitted training acknowledgement documents for at least five other Murtco employees without their consent, indicating that these individuals had completed refresher training for security procedures when in fact they had not. This information is material to the NRC because it provides the requisite assurance that individuals have been appropriately trained on the requirements for handling classified information and other sensitive materials. Based on the underlying low safety significance of the violation, the lack of supervisory involvement, and because the NRC would not have undertaken substantial further inquiry due to the inaccuracy, the NRC has concluded that the violation is appropriately characterized at Severity Level IV.

The NRC has concluded that information regarding the reasons for the violation, the corrective actions 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 USEC's letter of September 20, 2012 (ML12272A284). 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.

Administratively, the apparent violation discussed in our September 11, 2012 letter (ML12255A109) is closed, and Violation 070-07001/2012-401-01 is opened.

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

Should you have any questions concerning this letter, please contact José M. Díaz-Vélez at (404) 997- 4736.

Sincerely,

/RA/

Joselito O. Calle, Chief
Fuel Facility Inspection Branch 2
Division of Fuel Facility Inspection

Docket No. 70-7001
Certificate No. GDP-1

Enclosure:
Notice of Violation

cc w/encl: (See page 3)

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Docket No. 70-7001
Certificate No. GDP-1

Enclosure: Notice of Violation

cc w/encl: (See page 3)

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| DATE | 10/7/2012 | 10/5/2012 | 10/6/2012 | 10/7/2012 | 10/6/2012 | 10/5/2012 | 10/ /2012 | 10/ /2012 |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO | YES | YES |

OFFICIAL RECORD COPY DOCUMENT NAME: G:\DFFI\REPORTS\FINAL
REPORTS\PADUCAH\2012\PADUCAHMURTCOLTR.DOCX

cc w/encl:
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NOTICE OF VIOLATION

Paducah Gaseous Diffusion Plant
United States Enrichment Corporation

Docket No. 070-07001
License No. GDP-1
EA 12 -134

During an NRC investigation completed on June 12, 2012, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 76.9, Completeness and Accuracy of Information, states, in part, that information provided to the Commission or information required by statute or by the Commission's rules, regulations, standards, orders, or other conditions to be maintained by the Corporation must be complete and accurate in all material respects.

10 CFR 95.33, states that all cleared employees must be provided with security training and briefings commensurate with their involvement with classified information. The facility may obtain defensive security, threat awareness, and other education and training information and material from their Cognizant Security Agency (CSA) or other sources. 10 CFR 95.33(h) states that records reflecting an individual's initial and refresher security orientations and security termination must be maintained for three years after termination of the individual's access authorization.

Contrary to the above, on January 9, 2012, the certificate holder maintained information that was not complete and accurate in all material respects. Specifically, a laborer employed by Murtco, an Approved Supplier List (ASL) contractor for USEC, signed and submitted training acknowledgement documents for at least five other Murtco employees without their consent, indicating that these individuals had completed refresher training for security procedures when in fact they had not. This information is material to the NRC because it provides the requisite assurance that individuals have been appropriately trained on the requirements for handling classified information and other sensitive materials.

This is a Severity Level IV Violation (Supplement 6.9).

The NRC has concluded that information regarding the reason for the violation, the corrective actions 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 Paducah's letter dated September 20, 2012. 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," include the EA number, 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 II, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

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 Web site at <http://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.

Enclosure

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

Dated this 7th day of November 2012