



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PENNSYLVANIA 19406-2713

March 6, 2013

Docket No. 03035241

License No. 52-25489-01

Hector Juncos
President and Radiation Safety Officer
CMT, Inc.
#80 Sirio St. Extension Los Angeles
Carolina, PR 00979

SUBJECT: NRC INSPECTION REPORT NO. 03035241/2012001, CMT, INC., CAROLINA,
PUERTO RICO SITE AND NOTICE OF VIOLATION

Dear Mr. Juncos:

On June 18 and December 6, 2012, and continued in-office until March 5, 2013, Randolph Ragland of this office conducted a safety inspection at the above address of activities authorized by the above listed NRC license. The inspection was an examination of your licensed activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selective examination of representative records. Additional information provided in a telephone conversation on March 5, 2013, between you and Mr. Ragland was also examined as part of the inspection. The findings of the inspection were discussed with you by telephone at the conclusion of the inspection on March 5, 2013.

Based on the results of this inspection and in accordance with the NRC Enforcement Policy, the NRC has determined that three Severity Level IV violations of NRC requirements occurred. The violations involved: 1) failure to document a gauge inventory as required by NRC license condition; 2) failure to have a portable gauge lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position on one gauge; and 3) the failure to leak test a gauge as required by license condition.

The violations are cited in the enclosed Notice of Violation (Notice), because the violations were identified by the NRC. Also, items A and B as listed in the Notice are repeat violations that were identified during a previous inspection of your licensed program. This was documented in the Notice of Violation enclosed with our letter dated April 8, 2009. Although you reported that you took corrective action to address the previous violations, the current violations are of concern, because your preventative actions were not effective in preventing recurrence and indicate a lack of attention to detail. The NRC expects licensees to conduct their programs with meticulous attention to detail and high standards of safety and compliance. Because of the potential for radiation exposure to employees and the public which could result from failure to comply with NRC requirements, you must conduct your program according to NRC regulations, the conditions of your NRC license, and the representations made in your application.

During our telephone inspection exit meeting on March 5, 2013, you stated that the violations occurred because CMT, Inc., is undergoing Chapter 7 Bankruptcy, and the staff who typically maintained the gauge program, with the exception of the Radiation Safety Officer, have been laid off. You indicated that your gauge program is currently dormant and that your gauges are safely and securely locked up, and in long-term storage. You also indicated that you have sufficient resources to ensure that the gauges will be safely and securely maintained during bankruptcy proceedings, until the court can properly disposition the gauges by transferring the gauges to a licensed entity. Further, you stated that you have taken the following corrective and preventative actions to address the inspection findings:

- 1) Failure to maintain a record of gauge inventory: On June 18, 2012, CMT, Inc., documented a gauge inventory that included the information required by Condition No. 15 of NRC License No. 52-25489-01, Amendment No. 3, and CMT, Inc., will continue to conduct gauge inventories and maintain a record of the inventories until the gauges are properly transferred to a licensed entity;
- 2) Failure to have a gauge lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position on one gauge: On June 18, 2012, CMT, Inc., installed an additional lock on the gauge, and committed to ensuring that either the gauge source rod or gauge container will remain locked, and that you will verify that a lock is in place during each gauge inventory; and
- 3) Failure to leak test a gauge as required by license condition: The RSO stated that the gauges are currently in long term storage and not being used and committed to ensuring that all gauges will be properly leak tested prior to transfer to a properly licensed entity.

The NRC has concluded that information regarding the reasons for the violations and the corrective actions taken and planned to correct the violations and prevent recurrence is already adequately addressed in this letter. Therefore, you are not required to respond to this letter unless the description of your corrective actions in this letter 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 enclosure(s), and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC document system (ADAMS), accessible from the NRC website 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.

Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Med, Ind, & Academic Uses**; then **Regulations, Guidance and Communications**. The current Enforcement Policy is included on the NRC's website at www.nrc.gov; select **About NRC, Organizations & Functions; Office of Enforcement; Enforcement documents**; then **Enforcement Policy (Under 'Related Information')**. You may also obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-866-512-1800. The GPO is open from 8:00 a.m. to 5:30 p.m. EST, Monday through Friday (except Federal holidays).

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

Please contact Randolph Ragland at 610-337-5083 if you have any questions regarding this matter.

Sincerely,

Original signed by Blake D. Welling

Blake Welling, Chief
Materials Security and Industrial Branch
Division of Nuclear Materials Safety

Enclosure:
Notice of Violation

cc:
Commonwealth of Puerto Rico

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

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Division of Nuclear Materials Safety

Enclosure:
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NAME	RRagland/rcr		BWelling/bdw				
DATE	03/05/13		03/06/13				

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NOTICE OF VIOLATION

CMT, Inc.
Carolina, PR

Docket No. 03035241
License No. 52-25489-01

During an NRC inspection conducted on June 18 and December 6, 2012, and continued in-office until March 5, 2013, three violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. NRC License No. 52-25489-01, Amendment No. 3, Condition No. 15, states that the licensee shall conduct a physical inventory every six months to account for all sources and/or devices received and possessed under the license. Records of inventories shall be maintained for 5 years from the date of each inventory and shall include the radionuclides, quantities, manufacturer's name and model numbers, and the date of the inventory.

Contrary to the above, from January 2011, to June 18, 2012, CMT, Inc., did not document or maintain a gauge inventory record as required by NRC License No. 52-25489-01, Amendment No. 3, Condition No. 15.

This is a Severity Level IV violation (Section 6.7).

On June 18, 2012, CMT, Inc., documented a gauge inventory that included the information required by Condition No. 15 of NRC License No. 52-25489-01, Amendment No. 3, and CMT, Inc., committed to conducting gauge inventories every six months and to maintain a record of the inventories until the gauges are properly transferred to a licensed entity.

- B. NRC License No. 52-25489-01, Amendment No. 3, Condition No. 16, states that each portable nuclear gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position.

Contrary to the above, on June 18, 2012, one CPN gauge did not have a have a locked or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position.

This is a Severity Level IV violation (Section 6.7).

On June 18, 2012, CMT, Inc., installed an additional lock on the gauge and committed to ensuring that either the gauge source rod or gauge container will remain locked and they will verify that a lock is in place during each gauge inventory.

- C. NRC License No. 52-25489-01, Amendment No. 3, Condition No. 13, states that sealed sources shall be tested for leakage and/or contamination at intervals not to exceed six months or at the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or under equivalent regulations of an Agreement State.

Contrary to the above, a CPN MC-1DR-P Port probe, with an annual leak test requirement, was last leak tested on June 17, 2009, and was not leak tested prior to removing the gauge from storage for use in January 2012.

This is a Severity Level IV violation (Section 6.7).

The RSO stated that all gauges are currently in long term storage and are not being used, and committed to ensuring that all gauges will be properly leak tested prior to transfer to a properly licensed entity.

The NRC has concluded that information regarding the reason for the violations, 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. 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," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, any response which contests an enforcement action shall be submitted under oath or affirmation.

Your response will be placed in the NRC Public Document Room (PDR) and on the NRC Web site. To the extent possible, it should, therefore, not include any personal privacy, proprietary, or safeguards information so that it can be made publically available without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

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

Dated This 6th day of March 2013