



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

July 25, 2013

EA-13-157

Troy Hedger, President
Alpha-Omega Services, Inc.
9156 Rose Street
Bellflower, CA 90706

SUBJECT: FAILURE TO PROVIDE PRE-SHIPMENT NOTIFICATION OF EXPORTS OF
COBALT-60 – NOTICE OF VIOLATION

Dear Mr. Hedger:

This refers to the inspection conducted on April 9 and 10, 2013, at the Alpha-Omega Services, Inc. (AOS), Bellflower, CA facility. Additionally, a telephonic exit briefing was conducted with you on June 12, 2013.

During the inspection, the U. S. Nuclear Regulatory Commission (NRC) staff examined activities conducted under NRC Export License PXB6 (as amended) as they relate to public health and safety, and to confirm compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of an examination of selected procedures and representative records, observations of activities, and interviews with AOS personnel.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. Title 10 of the *Code of Federal Regulations* (10 CFR) Section 110.50(c)(1) states, in part, that a licensee authorized to export or import the radioactive material listed in Appendix P to Part 110 is responsible for notifying NRC and, in cases of exports, the government of the importing country in advance of each shipment. The NRC identified that between March 2009 and July 2010, AOS conducted five export shipments of Cobalt-60 (Co-60) to Canada without making the required notifications. Specifically, on one occasion AOS failed to notify the NRC of the export and on five occasions AOS failed to notify the government of the importing country. These examples of a failure to make the required notifications were identified as a violation of 10 CFR 110.50(c)(1).

During the inspection you explained that although you had not identified any past violations of notification requirements, AOS had revised its notification procedure in late 2012. AOS also determined that the reason for the violation involved a reliance on contract personnel to perform the notifications and a failure by AOS to verify that the notifications had been completed. The procedure was revised to require AOS personnel to perform export notifications. The inspectors determined that, for all of the export shipments conducted by AOS in late 2012 and during 2013, the required notifications had been properly completed and full compliance had been achieved.

The NRC has concluded that information regarding: (1) the reason for the violations; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full

compliance was achieved is already adequately addressed. Therefore, you are not required to respond to this letter unless the description herein 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 of Violation (Notice).

This violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is available on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is being cited in the enclosed Notice because all the criteria for consideration as a noncited violation provided in Section 2.3.2 of the Enforcement Policy were not met. Specifically, AOS did not identify the violation.

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 provided, will be made available electronically for public inspection in the Public Document Room or from the NRC's Agencywide Documents Access and Management System accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary 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>.

Please contact Charlotte Abrams at (301) 415-2933 if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Hilton", with a stylized flourish at the end.

Nick Hilton, Chief
Enforcement Branch
Office of Enforcement

Enclosure:
Notice of Violation EA-13-157

cc: See next page

cc:

National Nuclear Security Administration,
Office of International Regimes and
Agreements
U.S. Department of Energy
ATTN: Sean Oehlbert, Team Leader
1000 Independence Avenue, SW
Washington, D.C. 20585-1615

National Nuclear Security Administration,
Office of International Regimes and
Agreements
U.S. Department of Energy
ATTN: Mr. Richard S. Goorevich, Director
1000 Independence Avenue, SW
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National Nuclear Security Administration,
Office of International Regimes and
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U.S. Department of Energy
ATTN: Ms. Jessica Norles
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LSS Technical Data Assessment
& Teleforensics Center, DHS/CBP
ATTN: Christopher Baugues
12825 Worldgate Plaza, Building 3
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Herndon, VA 20170

Office of Nuclear and Missile Technology,
Bureau of Industry and Security
U.S. Department of Commerce
ATTN: Steve Clagett
14th Street & Penn Avenue, NW, Room
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Washington, D.C. 20230

NAC International/Nuclear Materials
Management Safeguards System
ATTN: Peter Dessaulles, Program Manager
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Office of Nuclear Energy, Safety and
Security Affairs, Room 3320 HST
Bureau of International Security
and Nonproliferation
U.S. Department of State
ATTN: Robin DeLaBarre
2201 C Street, NW
Washington, D.C. 20520

NOTICE OF VIOLATION

Alpha-Omega Services, Inc.
Bellflower, CA 90706

License No. PBX6
EA-13-157

During an NRC inspection conducted from April 9, 2013 through June 12, 2013, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 110.50(c)(1) states, in part, that a licensee authorized to export or import the radioactive material listed in Appendix P to this part is responsible for notifying the NRC and, in cases of exports, the government of the importing country in advance of each shipment.

Contrary to the above, between March 2009 and July 2010, Alpha-Omega Services, Inc. (AOS) conducted five export shipments of Cobalt-60 to Canada without making the required notifications. Specifically, on one of the five shipments identified, AOS failed to notify the NRC of the export and, on all five shipments, AOS failed to notify the government of the importing country.

This is a Severity Level IV violation. (Enforcement Policy, Section 6.15)

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken, the plan to correct the violation and prevent a recurrence, and the date when full compliance was 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.

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.

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 Agencywide Documents Access and Management System 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 publically available without redaction.

Dated this 25th day of July 2013