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**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

Region III
2443 Warrenville Road, Suite 210
Lisle IL 60532-4352

July 3, 2013

EA-13-086

Mr. John Wood, President
Caribbean Inspection & NDT Services, Inc.
203A Commerce
Port Lavarca, TX 46394

**SUBJECT: NOTICE OF VIOLATION – CARIBBEAN INSPECTION & NDT SERVICES, INC.
NRC ROUTINE INSPECTION REPORT NO. 15000042/2013001(DNMS)**

Dear Mr. Wood:

This refers to a U.S. Nuclear Regulatory Commission (NRC) routine inspection conducted on April 8, 2013, at a job site in Whiting, Indiana. During the inspection, apparent security violations of NRC requirements were identified. The significance of the issues and the need for lasting and effective corrective actions were discussed with John Yarborough of your staff during a telephonic exit meeting on April 25, 2013. Details regarding the apparent violations were provided in NRC Inspection Report No. 15000042/2013001(DNMS) dated May 17, 2013.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violations identified in the report by either attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision.

Based on the information developed during the inspection and the information that you provided in your response dated June 11, 2013, the NRC has determined that violations of NRC requirements occurred. The violations are cited in the Notice of Violation (Notice) in Enclosure 1 (Non-Public) and the circumstances surrounding them are described in detail in our inspection report dated May 17, 2013.

The violations are of concern to the NRC for the reasons stated in Enclosure 2 (Non-Public). Therefore, the violations have been categorized, in accordance with the NRC Enforcement Policy, as a Severity Level III problem.

In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$7,000 is normally considered for a Severity Level III problem.

The enclosures contain Sensitive
Unclassified Non-Safeguards Information.
Upon separation, this cover letter is
decontrolled.

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J. Wood

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Because your facility has not been the subject of escalated enforcement actions within the last two years, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process described in Section 2.3.4 of the Enforcement Policy.

In NRC Inspection Report No. 15000042/2013001(DNMS), the NRC described its understanding of the corrective actions taken to correct the violations. In your response dated June 11, 2013, you described the corrective actions taken to correct the violations and to prevent recurrence. These corrective actions are also documented in Enclosure 2. Based on these corrective actions, the NRC has determined that *Corrective Action* credit is warranted.

Therefore, to encourage prompt and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this Severity Level III problem constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken and planned to correct the violations, and the date when full compliance was achieved, was adequately addressed on the docket in NRC Inspection Report No. 15000042/2013001(DNMS) dated May 17, 2013, and in your response dated June 11, 2013. 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. Additionally, if you choose to respond, please mark your entire response "Security-Related Information – Withhold from Public Disclosure under 10 CFR 2.390." In accordance with Title 10 of the Code of Federal Regulations (10 CFR) 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for any response to this letter. However, to the extent possible, your response, if any, should not include any personal privacy, proprietary, or safeguards information.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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 (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. However, because of the Security-Related Information contained in the enclosures, and in accordance with 10 CFR 2.390, copies of the enclosures will not be available for public inspection.

J. Wood

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Additionally, the enclosures must be protected from unauthorized disclosure. Security-Related Information is discussed in Regulatory Information Summary RIS-2005-031, "Control of Security-Related Sensitive Unclassified Non-Safeguards Information" (ML053480073), which is available on the NRC Web site or in ADAMS.

Sincerely,

/RA by Cynthia D. Pederson for/

Charles A. Casto
Regional Administrator

Docket No. 150-00042
General License under 10 CFR 150.20
State of Texas License No. L0642

Enclosures:

1. Notice of Violation (Non-Public)
2. Final Determination of Significance
(Non-Public)

cc w/encls: State of Indiana
State of Texas
John C. Yarborough,
Radiation Safety Officer

J. Wood

-3-

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John C. Yarborough,
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NAME	Pelke	McCraw	Boland	Zimmerman ¹ KDay for	Orth	Casto CPederson for
DATE	06/19/13	06/19/13	06/21/13	06/28/13	07/03/13	07/03/13

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1 OE concurrence received via e-mail from K. Day on June 28, 2013.

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Letter to John Wood from Charles A. Casto dated July 3, 2013

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NRC ROUTINE INSPECTION REPORT NO. 15000042/2013001(DNMS)

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