

May 27, 2014

Mr. George E. Walther-Meade
Leidos
11951 Freedom Drive
Reston, VA 20190

Dear Mr. Walther-Meade:

This letter responds to the petition you filed with Mr. R. W. Borchardt, then Executive Director for Operations, pursuant to Section 2.206 of Title 10 of the *Code of Federal Regulations* (10 CFR 2.206) on August 10, 2013. In your petition you requested that the U.S. Nuclear Regulatory Commission (NRC) take immediate enforcement action by issuing an order to revoke CSMI, LLC (CSMI) License Number 20-35022-01.

On November 4, 2013, the NRC staff acknowledged receiving your petition and stated pursuant to 10 CFR 2.206 that your petition was being referred to me for action and that it would be acted upon within a reasonable time. You were also told that your request for immediate action was denied because there was no immediate impact on public health and safety, national security or the environment.

You met with the petition review board (PRB) on September 10, 2013, to clarify the bases for your petition. The transcript of this meeting was treated as a supplement to the petition and is available for inspection at the NRC's Public Document Room, located at One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852. The transcript is also accessible electronically through the Agencywide Document Access and Management System (ADAMS) Accession No. ML13263A388 in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>.

On September 25-26, 2013, the NRC staff conducted an inspection of CSMI and on October 29, 2013, the NRC staff held a telephone exit meeting with the licensee. The information gathered during this inspection was considered by the staff in its evaluation of the petition.

In your petition you stated that the licensee had committed a willful violation involving falsification of information. Such violations are of particular concern because the NRC's regulatory program is based on licensees acting with integrity and communicating with candor. Your concerns about potential misrepresentation made by the licensee, which form the basis for the petition, can be summarized as follows:

- In the cover letter to its license application dated December 3, 2012, CSMI stated that they have provided installation, transportation, and maintenance services related to the radiological safety of SAIC Vehicle and Cargo Inspection System (VACIS) for 10 years as a subcontractor. However, according to you, SAIC, has only been operating the VACIS system for the U.S. Government since 2006 (a period of less than 10 years).

- Three of your concerns involved training that CSMI stated their employees had received from SAIC. CSMI stated that Mr. Roberto Bhaday, their Radiation Safety Officer (RSO), received 40 hours of SAIC Field Service Representative radiation safety training in January 2005 in San Diego, California. Additionally, CSMI stated that their staff attended 80 hours of Initial Field Service Representative technical training in January 2005, at SAIC's facility in Rancho San Bernardo, California. However, you stated that SAIC did not provide training to Mr. Bhaday or any CSMI staff.
- Two of your concerns involved communication with SAIC for maintenance and emergency support. CSMI stated that their service personnel will adhere to the strict guidelines provided by SAIC (e.g., maintenance procedure) and that SAIC will be consulted immediately in the case of an emergency. However, you stated that the licensee does not have access to current guidelines and procedures nor is there any vehicle to consult SAIC in case of an emergency.
- CSMI stated that radiation safety training is supervised by an RSO-qualified representative of the system manufacturer and that all radiation safety training materials are provided by the system manufacturer. However, you stated that no such agreement exists, nor is there evidence to support this claim.
- CSMI stated that leak analysis will be the responsibility of the manufacturer. However, you stated that no such agreement exists, nor is there evidence to support the licensee's claim.
- In telephone conversations with the NRC, CSMI stated that Mr. Michael Hartnett would be named RSO with Mr. Bhaday as back-up and that Mr. Hartnett was scheduled for RSO training in mid-February. However, you stated that Mr. Bhaday is no longer with CSMI and Mr. Christopher Knox has since been appointed RSO.
- You stated that Messrs. Knox, Hartnett, and Bhaday have not received training by the petitioner as implied in the license application and correspondence.

Following staff evaluation of your concerns, the NRC issued a proposed Director's Decision and sent a copy to you and to CSMI for comment on February 28, 2014. You responded with comments on April 4, 2014 (ADAMS Accession No. ML14101A127), and the licensee responded with no comments on March 26, 2014. The comments and the staff's response to them are included in the Director's Decision.

The NRC has denied the petition to revoke or suspend CSMI License Number 20-35022-01. As explained in the enclosed Director's Decision, the NRC has not substantiated the petitioner's concern that CSMI has committed a willful violation involving falsification of information.

A copy of the Director's Decision (DD-14-04) will be filed with the Secretary of the Commission for the Commission to review in accordance with 10 CFR 2.206(c). As provided for by this regulation, the Decision will constitute the final action of the Commission 25 days after the date of the Decision unless the Commission, on its own motion, institutes a review of the decision within that time. The documents cited in the enclosed Decision are available in ADAMS for inspection at the Commission's Public Document Room located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, and from the ADAMS Public Library component on the NRC's Web site, <http://www.nrc.gov> (the Public Electronic Reading Room).

I have also enclosed a copy of the notice of "Issuance of the Director's Decision Under 10 CFR 2.206" that has been filed with the Office of the Federal Register for publication.

Please feel free to contact Mr. Hector Rodriguez-Luccioni by telephone at (301) 415-6004 or electronic mail: Hector.Rodriguez-Luccioni@nrc.gov to discuss any questions you may have concerning this petition.

Sincerely,

/RA/

Brian E. Holian, Acting Director
Office of Federal and State Materials
and Environmental Management Programs

Enclosure:

1. Final Director's Decision
2. *Federal Register* notice

cc: Mr. Randall Kaminsky
CSMI, LLC
60 Island Street
Lawrence, MA 01840

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Brian E. Holian, Acting Director
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60 Island Street
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