



Shaping the Future

October 14, 2014

U.S. Nuclear Regulatory Commission
Region III
2443 Warrenville Road
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Lisle, IL 60532-4352

Cardno ATC

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**RE: Response to the Apparent Violation in Inspection Report
No.03013245/2013001(DNMS); EA-13-251**

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ATC Group Services Inc. dba Cardno ATC ("Cardno ATC") is in receipt of the letter submitted on behalf of the Nuclear Regulatory Commission ("Letter") in regards to NRC Inspection Report No.03013245/2013001(DNMS) ("Inspection Report"). In accordance with the provisions of the Letter, please accept this as Cardno ATC's written response to the apparent violation addressed in the Inspection Report.

On November 18, 2013, Sam Dreyer, a Cardno ATC employee at the time, left a job site and stopped at a local retail store to purchase some personal items. He parked the company-owned pick-up truck that he was operating for field work, which contained a properly-secured Troxler Gauge, and went inside the store. When Mr. Dreyer came back out, he found that the truck had been stolen along with the Troxler Gauge that had been secured in it. The incident resulted in the loss/theft of a device containing licensed material.

Upon notice of the event, Cardno ATC took immediate action and promptly filed reports with both local law enforcement and the NRC. Cardno ATC also conducted its own internal investigation to identify the root cause of the apparent violation and found that the portable gauge was properly secured in the truck in accordance with relevant regulations and Cardno ATC's Radiation Transport Safety and Security policies and procedures, but Mr. Dreyer had inadvertently left the keys in the truck; it was Mr. Dreyer's simple oversight of company policy and procedures while running a personal errand that caused the incident.

In an effort to identify and prevent problems before they occur, Cardno ATC has extensive training programs in place, and every employee that uses a gauge within Cardno ATC is required to undergo thorough, comprehensive and on-going training. Such training is provided through an online Learning Management System called TrainingMine as well as through in-house training sessions conducted by the local Branch Radiation Safety Officer. In particular, training encompasses Department of Transportation (DOT) requirements for the transportation of the equipment, Cardno ATC's Radiation Transport Safety and Security policies and procedure, Branch-specific information on the Radiation Safety Program and awareness training on radiation. As a further preventative measure, employees must repeatedly complete refresher training requirements at certain periodic intervals and they are required to attend monthly in-house training with the Branch Safety Officer. We feel that it is important to note that Mr. Dreyer received all necessary information and successfully underwent all requisite training; his most recent training completion certificates are attached hereto as "Enclosure One". Mr. Dreyer followed the guidelines and training he was provided by Cardno ATC, with one exception. This

fact is evident to all parties, as reflected in the "Factual Summary of NRC Investigation" ("Enclosure Two") wherein "the Investigator concluded that the individual did not willfully fail to maintain control of licensed materials that were not in storage." It was merely "a matter of forgetfulness."

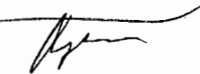
Cardno ATC further requires all employees who drive on company business to abide by the company vehicle policy. Once the policy is reviewed, employees are given the opportunity to ask questions and/or receive clarification on any part of the policy prior to acknowledging the terms and conditions set forth therein. Specifically included in the policy is a section entitled "Driver's Code of Conduct" (attached as "Enclosure Three"), which sets forth the employees' responsibilities when driving on company business; notably, it requires that vehicles be locked when unattended. Mr. Dreyer received, reviewed and further acknowledged his understanding and acceptance of the Company's Driver's Code of Conduct on October 8, 2013, only 36 days prior to the incident. The signed policy acknowledgement form is attached hereto as "Enclosure Four".

Cardno ATC views this situation as very serious, and upon notice of the incident took prompt, comprehensive corrective action. After finding that Mr. Dreyer disregarded his training and violated company policies, Cardno ATC took corrective action and terminated his employment on November 19, 2013. Cardno ATC has further taken proactive corrective measures to ensure that this oversight never occurs again. As this was an isolated incident, we have used it as a "lessons learned" example to ensure everyone learns from Mr. Dreyer's mistake. A memo (attached as "Enclosure Five"), was promptly sent to all field technicians within the Branch detailing the incident and reinforcing Company policy with a reminder to always maintain control of a gauge and to lock vehicles when unattended. To prevent recurrence of this violation and prevent similar violations, this information was further disseminated companywide during the December 2013 Monthly Safety Meeting, and it is being used as a training tool for our employees.

Cardno ATC understands the significance of the incident and appreciates the opportunity to respond to this apparent violation. We hereby respectfully ask that the NRC use its discretion to mitigate its finding to that of "no violation" and to waive the imposition of a civil penalty. Cardno ATC's policies and procedures are in place to identify and prevent problems before they occur, and Mr. Dreyer acted in accordance with his Company training, excepting his moment "of forgetfulness." Nevertheless, Cardno ATC took prompt, comprehensive corrective action to address the non-compliant condition within a day and to prevent recurrence of the violation and the occurrence of similar violations, completing within a month of the event.

In consideration of the foregoing, Cardno ATC respectfully requests your understanding and leniency when considering enforcement actions for this incident. If you have any questions, or require additional information, please contact the undersigned.

Sincerely,



Randy Morton
Branch Manager
Cardno ATC, Indianapolis

Enclosures:

1. All Training Certificates for Individual Involved
2. Factual Summary of NRC Investigation
3. Drivers Code of Conduct
4. Policy Acknowledgment
5. Memo – Theft of Company Vehicle/Nuclear Density Gauge



Dreyer, Samuel

has successfully passed the training course

Hazard Advisory - Radioactive Device Security

Course Objectives/Description

To ensure all affected employees understand the need to strictly adhere to established security requirements when transporting a piece of equipment containing radioactive source materials.

Passing Score: 100

Date Training Completed: 01/04/2013

Encl 1



Dreyer, Samuel

has successfully passed the training course

Hazard Advisory - Securing Radioactive Devices

Course Objectives/Description

To ensure all affected employees understand the need to adhere to established ATC, NRC License, and DOT transportation requirements for proper securing of gauges during transport.

Passing Score: 100

Date Training Completed: 01/04/2013



Dreyer, Samuel

has successfully passed the training course

NORM Awareness-R

Course Objectives/Description

Passing Score: 100

Date Training Completed: 01/23/2013



Dreyer, Samuel

has successfully passed the training course

Radiation Safety Annual Review (ILT)

Course Objectives/Description

This ILT is a "Marker" for your initial or annual RSO training. When you get this ILT assignment, work with your Branch Administrator to provide manual credit for this training requirement. This training includes the following items: (1) Radiation Safety Program (Branch-Specific); (2) Review of equipment operation; (3) Incident Reporting & Emergency Procedures; (4) Security & Transportation; (5) License updates and radiation inspection results; and (6) ALARA concepts and exposure monitoring.

Date Training Completed: 01/10/2013



Dreyer, Samuel

has successfully passed the training course

Radiation Safety Annual Review (ILT)

Course Objectives/Description

This ILT is a "Marker" for your initial or annual RSO training. When you get this ILT assignment, work with your Branch Administrator to provide manual credit for this training requirement. This training includes the following items: (1) Radiation Safety Program (Branch-Specific); (2) Review of equipment operation; (3) Incident Reporting & Emergency Procedures; (4) Security & Transportation; (5) License updates and radiation inspection results; and (6) ALARA concepts and exposure monitoring.

Date Training Completed: 01/10/2013



Dreyer, Samuel

has successfully passed the training course

Radiation Safety-R (Cardno ATC)

Course Objectives/Description

This course provides awareness training of general Radiation Safety principals, specific ATC safety procedures for radioactive source equipment and satisfies DOT HazMat Training requirements: General Awareness/Familiarization Training (49 CFR 172.704(a)(1)); Function-Specific Training (49 CFR 172.704(a)(2)); Safety Training (49 CFR 172.704(a)(3)); and Security Awareness Training (49 CFR 172.704(a)(4)).

Passing Score: 100

Date Training Completed: 01/04/2013



Dreyer, Samuel

has successfully passed the training course

Radiation Security & Safety Guidance

Course Objectives/Description

To provide a quick reference document for ensuring compliance with ATC and Regulatory Agency requirements associated with devices containing radioactive sources (portable gauges, XRF).

Passing Score: 100

Date Training Completed: 04/01/2013



Dreyer, Samuel

has successfully passed the training course

DOT - Marking and Labeling

Course Objectives/Description

Understand how to properly identify the marking and labeling requirements for a package, properly mark a package and properly label a package. Completion of this TrainingMine course along with the remaining training items in the DOT Hazmat (Other than Haz Waste and Hazardous Waste) Skillset created by ATC Associates will meet the requirements of DOT Hazardous Materials Training 49 CFR 172.704. This course discusses proper labeling of hazardous materials.

Passing Score: 100

Date Training Completed: 08/30/2012



Dreyer, Samuel

has successfully passed the training course

DOT - Packaging

Course Objectives/Description

Completion of this TrainingMine course along with the remaining training items in the DOT Hazmat (Other than Haz Waste and Hazardous Waste) Skillset created by ATC Associates will meet the requirements of DOT Hazardous Materials Training 49 CFR 172.704. To be able to understand how to properly select a package for a particular hazardous material, the general requirements applicable to all packages and the requirements for non-bulk and bulk packages.

Passing Score: 100

Date Training Completed: 08/31/2012



Dreyer, Samuel

has successfully passed the training course

DOT - Placarding

Course Objectives/Description

Completion of this TrainingMine course along with the remaining training items in the DOT Hazmat (Other than Haz Waste and Hazardous Waste) Skillset created by ATC Associates will meet the requirements of DOT Hazardous Materials Training 49 CFR 172.704. To be able to understand how to properly select a placard for any shipment of hazardous materials, the specific design, display requirements for placards and the responsibilities of shippers related to placards and the responsibilities of carriers related to placards.

Passing Score: 100

Date Training Completed: 08/31/2012



Dreyer, Samuel

has successfully passed the training course

DOT - Regulatory Overview

Course Objectives/Description

Completion of this TrainingMine course along with the remaining training items in the DOT Hazmat (Other than Haz Waste and Hazardous Waste) Skillset created by ATC Associates will meet the requirements of DOT Hazardous Materials Training 49 CFR 172.704. To be able to understand the regulations applicable to managing hazardous materials, how to use the Hazardous Materials Table, how to properly classify a hazardous material, how to assign a proper shipping name and the training requirements for hazardous materials management

Passing Score: 100

Date Training Completed: 09/03/2012



Dreyer, Samuel

has successfully passed the training course

DOT - Shipments

Course Objectives/Description

Completion of this TrainingMine course along with the remaining training items in the DOT Hazmat (Other than Haz Waste and Hazardous Waste) Skillset created by ATC Associates will meet the requirements of DOT Hazardous Materials Training 49 CFR 172.704. To be able to understand the requirements of shipping hazardous materials by highway, air, rail and vessel.

Passing Score: 100

Date Training Completed: 09/03/2012



Dreyer, Samuel

has successfully passed the training course

DOT - Shipping Papers

Course Objectives/Description

Completion of this TrainingMine course along with the remaining training items in the DOT Hazmat (Other than Haz Waste and Hazardous Waste) Skillset created by ATC Associates will meet the requirements of DOT Hazardous Materials Training 49 CFR 172.704. To be able to understand the general requirements for shipping papers for hazardous materials, how to enter a basic shipping description, when additional descriptions are needed in the shipping description, how to enter the required emergency response information on a shipping paper, when to use the appropriate certification and when to use a hazardous waste manifest.

Passing Score: 96

Date Training Completed: 09/03/2012



Dreyer, Samuel

has successfully passed the training course

DOT HAZMAT Security Awareness

Course Objectives/Description

Completion of this TrainingMine course along with the remaining training items in the DOT Hazmat (Other than Haz Waste and Hazardous Waste) Skillset created by ATC Associates will meet the requirements of DOT Hazardous Materials Training 49 CFR 172.704. The DOT requires general security awareness as part of required employee training for employees who deal with Hazardous Materials shipments, including those preparing materials, marking containers, completing shipping papers, loading vehicles, or transporting these materials in commerce.

Passing Score: 100

Date Training Completed: 09/03/2012

FACTUAL SUMMARY OF NRC INVESTIGATION

On January 13, 2014, the U.S. Nuclear Regulatory Commission's Office of Investigations (OI), Region III Field Office initiated an investigation to determine whether, on November 18, 2013, an individual who was employed by ATC Group Services willfully failed to secure a vehicle that contained a portable gauge. The investigation was completed on August 12, 2014, and was documented in OI Report No. 3-2014-005.

During the investigation, the individual informed the OI Investigator that he did not leave the keys in the truck on purpose, and that it was a matter of forgetfulness. He further stated that he had no recollection of leaving the keys inside the truck until he checked his pocket after not being able to locate the truck in the parking lot. The Investigator concluded that the individual did not willfully fail to maintain control of licensed materials that were not in storage.

Encl 2

Enclosure


	Employee Health & Safety Policy Manual	Policy Section #:	30
		Page:	1 of 1
	Subject: Exhibit Four	Revision:	00
		Issue Date:	05/30/2013

Exhibit Four - Driver's Code of Conduct

As an Authorized Driver of a Cardno provided vehicle or a driver on Cardno business and a Cardno employee, I will subscribe to the following code of conduct while performing my duties as a representative of the Company:

- I will immediately report all vehicle accidents to my supervisor, location manager, or as well as the local authorities.
- I will wear seatbelts at all times when on Cardno business and I will also require seatbelts to worn by all occupants.
- When driving, I will exhibit courteous and professional behaviour.
- I will only allow authorized passengers to ride in the Cardno provided vehicle.
- Before operating a Cardno provided vehicle, I will perform a visual inspection and will report deficiencies immediately.
- I will only use the labelled Cardno provided vehicle in the course and scope of Company business.
- I will only allow authorized persons to operate a Cardno provided vehicle.
- I will only use my mobile electronic devices when the vehicle is safely parked.
- I will lock the Cardno provided vehicle when unattended.
- I understand that while performing my duties, Cardno will not tolerate violations of local, state or federal motor vehicle laws.
- Radar detecting devices are not allowed in Cardno vehicles.
- While driving, I will use defensive driving tactics to avoid the possibility of being involved in an accident.
- Should I sustain a roadside emergency, I will position my vehicle in a safe location and request roadside assistance. In the case of a "roadside emergency" if my vehicle cannot be removed from the roadway, I will safely exit the vehicle and move out of harm's way. If I do not feel safe exiting the vehicle, I will stay inside the vehicle with my seatbelt fastened.
- I acknowledge that if I am arrested or cited for any type of serious infraction related to any driving offense in my personal or Cardno provided vehicle; that my use of a Cardno provided vehicle, or driving my personal vehicle on Company business may be suspended until the case has concluded.
- I acknowledge that if the Cardno suspends my driving privileges, that I will not operate any vehicle on behalf of the Company.
- I acknowledge that failure to follow Cardno driver policy may result in disciplinary action up to and including termination.
- I acknowledge that using a Cardno decaled Company vehicle for personal use is prohibited and will result in disciplinary action up to and including termination.
- I acknowledge Cardno Distracted Driving Policy and understand that any violations may result in disciplinary action, up to and including, termination.

I have read and understand the Cardno Driver Safety Policy attached to this Driver's Code of Conduct.

Employee Signature

Date

Print Name

Encl 3


 <p>Cardno ATC Shaping the Future</p>	Employee Health & Safety Policy Manual	Policy Section #:	30
	Subject: Exhibit Four	Page:	1 of 1
		Revision:	00
		Issue Date:	05/30/2013

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As an Authorized Driver of a ~~Cardno provided vehicle~~ or a driver on Cardno business and a Cardno employee, I will subscribe to the following code of conduct while performing my duties as a representative of the Company:

- I will immediately report all ~~vehicle~~ accidents to my supervisor, location manager, or as well as the local authorities.
- I will wear seatbelts at all ~~times~~ when on Cardno business and I will also require seatbelts to worn by all occupants.
- When driving, I will exhibit courteous and professional behaviour.
- I will only allow authorized passengers to ride in the Cardno provided vehicle.
- Before operating a Cardno provided vehicle, I will perform a visual inspection and will report deficiencies immediately.
- I will only use the labelled Cardno provided vehicle in the course and scope of Company business.
- I will only allow authorized persons to operate a Cardno provided vehicle.
- I will only use my mobile electronic devices when the vehicle is safely parked.
- I will lock the Cardno provided vehicle when unattended.
- I understand that while performing my duties, Cardno will not tolerate violations of local, state or federal motor vehicle laws.
- Radar detecting devices are not allowed in Cardno vehicles.
- While driving, I will use defensive driving tactics to avoid the possibility of being involved in an accident.
- Should I sustain a roadside emergency, I will position my vehicle in a safe location and request roadside assistance. In the case of a "roadside emergency" if my vehicle cannot be removed from the roadway, I will safely exit the vehicle and move out of harm's way. If I do not feel safe exiting the vehicle, I will stay inside the vehicle with my seatbelt fastened.
- I acknowledge that if I am arrested or cited for any type of serious infraction related to any driving offense in my personal or Cardno provided vehicle; that my use of a Cardno provided vehicle, or driving my personal vehicle on Company business may be suspended until the case has concluded.
- I acknowledge that if the ~~Company~~ suspends my driving privileges, that I will not operate any vehicle on behalf of the ~~Company~~.
- I acknowledge that failure to follow Cardno driver policy may result in disciplinary action up to and including termination.
- I acknowledge that using a ~~Cardno~~ ~~detached~~ Company vehicle for personal use is prohibited and will result in disciplinary ~~action~~ up to and including termination.
- I acknowledge Cardno ~~Driver's~~ ~~Driving~~ Policy and understand that any violations may result in disciplinary action, up to ~~and including~~ termination.

I have read and understand the ~~Cardno~~ Driver Safety Policy attached to this Driver's Code of Conduct.



Employee Signature

11/1/13

Date

SAMUEL W. DELETA

Print Name

TO: All Field Technicians

FROM: Russ Bennett, Field Operations Supervisor

DATE: November 19, 2013

SUBJECT: Theft of Company Vehicle/Nuclear Density Gauge

1. On November 18, 2013, a field technician driving a company vehicle containing company equipment, stopped at the Target store on West 38th Street. The vehicle was left unlocked with the key left in the ignition. Upon exiting the store the truck was gone. Leaving the keys in an unattended company vehicle is in violation at Exhibit Four (attached), Driver's Code of Conduct contained in Policy #30 of the Employee Health & Safety Policy Manual. Not having the Nuclear Density Gauge properly secured is in violation of Policy #38.

2. You are reminded that:

a. The gauge needs to be under your control at all times while on the jobsite, otherwise it needs to be locked in the case and the case secured to your vehicle.

b. In an SUV, the gauge must be secured to the vehicle by one lock and chain. In addition, it would be best to have a covering over it so as to not be readily noticeable. If in the trunk of a car, it needs to be secured to the vehicle with one lock and chain. The vehicle must be locked if left unattended.

c. If secured in the bed of a pickup truck there must be two independent locks and chains securing the gauge to the bed of the truck. In addition, it would be best to have a covering over it so as to not be readily noticeable. The vehicle must be locked if left unattended.

d. If you are storing the gauge in a vehicle on evenings and weekends the gauge must be locked to the steering wheel of the vehicle and covered so as not to be readily noticeable and the vehicle must be locked. If the vehicle is stored in a garage, the requirement is that the vehicle and garage is locked. If you can not get your vehicle in a locked garage

the alternative is to remove it from the vehicle and chain it up in a locked garage or room.

3. If these procedures are not followed, and you have a gauge stolen, your job is in jeopardy.

Russ Bennett
Field Operations Supervisor