



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

January 5, 2016

EA-13-190

Mr. Jay Gupta
Plus, LLC
1455 Washington Blvd
Stamford, CT 06902

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION OFFICE OF INVESTIGATIONS
REPORT NOS. 1-2014-001 AND 1-2015-017, PLUS, LLC

Dear Mr. Gupta,

This letter refers to two investigations initiated by the U.S. Nuclear Regulatory Commission (NRC) Office of Investigations (OI), on October 18, 2013 and April 8, 2015, related to the import, possession, and distribution of licensed materials by Plus, LLC in areas of NRC jurisdiction without having an NRC license.

Based on the evidence developed during the investigations, three apparent violations were identified and are being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

The apparent violations involve: (1) initially transferring, for sale or distribution, watches containing tritium (H-3) tubes, prior to obtaining an NRC license for such activity pursuant to Title 10 of the Code of Federal Regulations (10 CFR) 30.3, 30.15, 32.14; (2) possession of material (tritium) prior to obtaining an NRC license for such activity pursuant to 10 CFR 30.3; and (3) importing material (tritium) into the United States without having the required license for possession of the material containing byproduct material, issued by the Agreement States or the NRC, pursuant to 10 CFR 110.5, 110.9a, 110.20(a), and 110.27(a).

The failure to obtain the required licenses for the import, distribution and/or possession of these watches prior to distributing these products is significant because it resulted in the NRC not being able to conduct its regulatory responsibilities to ensure that the products were safe for distribution to members of the general public, and inhibits the process of regulatory oversight. The apparent violations are listed in Enclosure 1.

Additionally, the NRC is concerned that these apparent violations may have been willful in nature, based on the available information that is summarized in Enclosure 2. Willful violations are of significant concern to the NRC because the NRC's regulatory programs rely upon the integrity of entities, applicants, and licensees to comply with NRC requirements.

During a January 5, 2016, telephonic exit meeting conducted with you, as Plus, LLC's Director/Owner, Mr. Hipolito Gonzalez, of the NRC, discussed these apparent violations, the significance of the issues, and the need for lasting and effective corrective action.

As discussed with you, the NRC has not made a final determination that the violations or willful misconduct occurred, or that enforcement action will be taken against Plus, LLC. Since the NRC has not made a final determination in this matter, a Notice of Violation is not being issued at this time. In addition, please be advised that the characterization of the apparent violations may change as a result of further NRC review.

Before the NRC makes its enforcement decision, we are providing you an opportunity to: (1) within 30 calendar days of the date of this letter, respond to the apparent violation(s) addressed in this letter, (2) request a Pre-decisional Enforcement Conference (PEC), or (3) request Alternative Dispute Resolution (ADR). If you decide to participate in a PEC or pursue ADR, please contact Mr. Hipolito Gonzalez at 301-415-5637 within **10** calendar days of the date of this letter. A PEC should be held within 30 calendar days and an ADR should be held within 45 calendar days of the date of this letter.

If you choose to provide a written response, it should be clearly marked as a "Response to Apparent Violations in NRC Office of Investigation Reports 1-2014-001 and 1-2015-017; EA-13-190" and should include for each apparent violation: (1) the reason for the apparent violation or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. In addition to the specific responses for each violation, for each violation, you should be prepared to address: (1) the reason for the apparent willful nature of the actions; and (2) what corrective steps Plus, LLC is taking, or has taken, such that NRC should have confidence in future Plus, LLC compliance with regulatory requirements. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. Your response should be sent to the NRC's Document Control Center, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; with a copy mailed to Pamela Henderson, Acting Director, Division of Material Safety, State, Tribal and Rulemaking Programs, Office of Nuclear Material Safety and Safeguards, 11555 Rockville Pike, Rockville, MD 20852, within 30 days of the date of this letter.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The decision to hold a PEC does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. The PEC is being held to obtain information to assist the NRC in making an enforcement decision. This may include information to determine whether a violation occurred and whether willfulness is involved, information to determine the significance of any violation, and information related to any corrective actions taken or planned. For each apparent violation, you should be prepared to address: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; and (3) the corrective steps that will be taken to avoid further violations. You may reference previously docketed correspondence, if the correspondence adequately addresses the required response. If a PEC is held, since information related to an Office of Investigations report will be discussed and the report has not been made public, this conference will be closed to public observation. NRC may issue a press release to announce the time and date of this closed conference.

In lieu of a PEC, you may request ADR with the NRC in an attempt to resolve this issue. ADR is a general term encompassing various techniques for resolving conflicts using a neutral third party. The technique that the NRC has decided to employ is mediation. Mediation is a voluntary, informal process in which a trained neutral third party (the "mediator") works with parties to help them reach resolution. If the parties agree to use ADR, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues. Additional information concerning the NRC's program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. The Institute on Conflict Resolution (ICR) at Cornell University has agreed to facilitate the NRC's program as a neutral third party. Please contact ICR at (877) 733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of this issue through ADR.

In presenting any corrective actions, you should be aware that the promptness and comprehensiveness of the actions will be considered in assessing any civil penalty for the apparent violation. The guidance in the enclosed excerpt from NRC Information Notice 96-28, "SUGGESTED GUIDANCE RELATING TO DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION," may be helpful.

If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision.

In addition, please be advised that the number and characterization of apparent violations described in the enclosure may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

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's Agencywide Documents Access and Management System (ADAMS), 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, proprietary, or safeguards information so that it can be made available to the Public without redaction. Any information forwarded to NRC should be clearly labeled on the first page with the case reference number: EA-13-190.

J. Gupta

4

Should you have any questions, please contact Mr. Hipolito Gonzalez of my staff at (301) 415-5637.

Sincerely,

/RA/

Pamela J. Henderson, Acting Director
Division of Material Safety, State, Tribal
and Rulemaking Programs
Office of Nuclear Material Safety
and Safeguards

Enclosures:

1. Apparent Violations Being Considered
for Escalated Enforcement
2. Factual Summary of OI Investigation
Nos. 1-2014-001 and 1-2015-017
3. NRC Information Notice 96-28

J. Gupta

4

Should you have any questions, please contact Mr. Hipolito Gonzalez of my staff at (301) 415-5637.

Sincerely,

/RA/

Pamela J. Henderson, Acting Director
Division of Material Safety, State, Tribal
and Rulemaking Programs
Office of Nuclear Material Safety
and Safeguards

Enclosures:

1. Apparent Violations Being Considered for Escalated Enforcement
2. Factual Summary of OI Investigation Nos. 1-2014-001 and 1-2015-017
3. NRC Information Notice 96-28

DISTRIBUTION:

See next page

ML14343A906

OFFICE	NMSS/MSTR	NMSS/MSTR	NMSS/MSTR	OIP	NMSS/MSTR
NAME	MBurgess	SXu Via email	HGonzalez Via email	AJones	PHenderson
DATE	11/24/15	12/01/15	12/01/15	12/2/15	12/3/15
OFFICE	OE	OGC	NMSS/MSTR		
NAME	NHilton LSreenivas (for)	MSimon LBaer (for)	PHenderson		
DATE	12/ 24/15	12/28/15	12/30/15		

OFFICIAL RECORD COPY

Letter to J. Gupta from Pamela Henderson dated January 5, 2016

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION INVESTIGATION REPORT
NOS. 1-2014-001 AND 1-2015-017, PLUS, LLC.

DISTRIBUTION:

HGonzalez, NMSS

SXu, NMSS

MBurgess, NMSS

CScott, OGC

MSimon, OGC

LBaer, OGC

CCrisden, RGN-I

BWelling, RGN-I

SWilson, RGN-I

NHilton, OE

LSreenivas, OE

OEMail Resource

RidsSecyMailCenter Resource

RidsEdoMailCenter Resource

RidsNmssOd Resource

RidsOpaMail Resource

RidsOigMailCenter Resource

OEWEB Resource

RidsOcaMailCenter Resource

RidsOgcMailCenter Resource

RidsOiMailCenter Resource

RidsOcfoMailCenter Resource

RidsRgn1MailCenter Resource

RidsRgn3MailCenter Resource

RidsRgn4MailCenter Resource

APPARENT VIOLATIONS BEING CONSIDERED FOR ESCALATED ENFORCEMENT

Apparent Violation 1:

10 CFR 30.3(a), "Activities requiring license" provides, in part, that "no person shall manufacture, produce, transfer, receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in this chapter."

10 CFR 30.15(a)(1), provides an exemption to the requirement for a license in 10 CFR 30.3(a) for persons who receive, possess, use, transfer, own or acquire timepieces or hands or dials containing not more than specified quantities of byproduct material and not exceeding specified levels of radiation. However, the exemption in 10 CFR 30.15(a)(1) excludes "persons who initially transfer for sale or distribution" such timepieces or hands or dials.

10 CFR 30.15(b) provides, in part, that any person who desires to initially transfer for sale or distribution the products exempted in 10 CFR 30.15(a) should apply for a specific license pursuant to 10 CFR 32.14, which license states that the product may be distributed by the licensee to persons exempt from the regulations pursuant to 10 CFR 30.15(a).

Contrary to the above, Plus, LLC distributed material to unlicensed persons without an NRC license to distribute. Specifically, beginning on or around February 23, 2013, Plus, LLC initially transferred, for sale or distribution, approximately 1623 tritium watches containing byproduct material to unlicensed persons without obtaining a specific license pursuant to 10 CFR 32.14 authorizing such transfers. Additionally, between October 2014 and February 2015, Plus, LLC caused the initial transfer of 110 watches containing tritium by publicizing sales through its Amazon seller's account. Plus, LLC did not obtain a specific license pursuant to 10 CFR 32.14 prior to these initial transfers.

Apparent Violation 2:

10 CFR 30.3(a), "Activities requiring license" provides, in part, that "no person shall manufacture, produce, transfer, receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in this chapter."

Contrary to the above, Plus, LLC received and possessed radioactive material (watches containing tritium) without having the required license for possession of the material (a possession license issued by the NRC), and without being able to demonstrate that the watches were obtained from an entity licensed to distribute those watches as an exempt use product. Specifically, between approximately February 23, 2013 and September 7, 2014, Plus, LLC, received 1717 watches, manufactured in Switzerland, containing tritium, without having a possession license issued by the NRC, and without being able to demonstrate that the watches were obtained from an entity licensed to distribute those watches as an exempt use product. In addition, from January 26, 2015 to April 23, 2015, Plus, LLC continued to possess quantities of watches containing tritium, without having the required NRC license, and without being able to demonstrate that the watches were obtained from an entity licensed to distribute those watches as an exempt use product.

Apparent Violation 3:

10 CFR 110.5 states, in part, "no person may export any nuclear equipment or material listed in § 110.8 and § 110.9, or import any nuclear equipment or material listed in § 110.9a, unless authorized by a general or specific license issued under this part."

10 CFR 110.9a, List of nuclear equipment and material under NRC import licensing authority, includes byproduct material (i.e. H-3).

10 CFR 110.20(a) states “A person may use an NRC general license as authority to export or import nuclear equipment or material, if the nuclear equipment or material to be exported or imported is covered by the NRC general licenses described in §§ 110.21 through 110.27. If an export or import is not covered by the NRC general licenses described in §§ 110.21 through 110.27, a person must file an application with the Commission for a specific license in accordance with §§ 110.31 through 110.32.”

10 CFR 110.27(a) states “Except as provided in paragraphs (b) and (c) of this section, a general license is issued to any person to import byproduct, source, or special nuclear material if the U.S. consignee is authorized to receive and possess the material under the relevant NRC or Agreement State regulations.”

Contrary to the above, Plus, LLC, imported byproduct material into the United States without being authorized by a general or specific license issued under the regulations in 10 CFR Part 110. Specifically, between approximately February 23, 2013 and September 7, 2014, Plus, LLC imported approximately 1832 watches, manufactured in Switzerland, and containing tritium, without having a possession license issued by the NRC, or without first obtaining a specific import license from the NRC. Additionally, between October 2014 and February 2015, Plus, LLC caused the import of 107 watches containing tritium by publicizing sales on its Amazon seller’s account. None of the U.S. consignees (Amazon customers) had NRC or Agreement State possession licenses, and Plus, LLC did not have a specific import license.

FACTUAL SUMMARY
OFFICE OF INVESTIGATIONS REPORT 1-2014-001 AND 1-2015-017

On October 18, 2013, the U.S. Nuclear Regulatory Commission (NRC), Office of Investigations (OI), Region I field office initiated an investigation to determine whether Plus, LLC, d/b/a The Discount Shop, or any related entity deliberately imported watches containing licensed material into the United States and distributed the watches, without having the required NRC licenses. The investigation was completed on October 2, 2014, and was documented in the OI Report 1-2014-001.

Plus, LLC, located in the state of Connecticut, was incorporated in 2007 and started working in e-commerce in 2009. Their website is www.discountshop.com, but most of their sales are through listings on Amazon.com, and other internet shopping sites. One of the items Plus, LLC sold was watches containing byproduct material (tritium). Plus, LLC did not have a specific exempt distribution license or possession license, both of which are required by the NRC to initially transfer byproduct material for sale or distribution. In addition, Plus, LLC obtained these watches from an overseas supplier and imported them into the United States, although the U.S. consignees did not have NRC or Agreement State possession licenses (required for Plus, LLC to have a general import license), and Plus, LLC, did not have a specific NRC import license.

The OI investigation revealed that between approximately February 23, 2013 and September 7, 2014, Plus, LLC acquired and imported 1717 watches containing tritium tubes from overseas, without having a general or specific NRC import license or a possession license issued by the NRC, and without being able to demonstrate that the watches were obtained from an entity licensed to initially transfer those watches as an exempt-use product. Furthermore, the OI investigation revealed that during this same period, Plus, LLC initially transferred 1508 of these watches to unlicensed persons without having a NRC exempt distribution license.

The OI investigation confirmed that by letter dated January 3, 2013, and through follow up emails dated January 21, 2013; January 24, 2013; and February 1, 2013 the NRC staff communicated and explained the NRC requirements for possessing, distributing, and importing byproduct material, including watches containing tritium tubes. Furthermore, these communications included confirmation from the Director/Owner of Plus, LLC of his understanding of the NRC requirements, and his intent to address the matter by obtaining the necessary NRC licenses. The Director/Owner of Plus, LLC hired a consultant to assist him with that process, and between May 14, 2013, and May 31, 2013, the consultant informed the Director/Owner of Plus, LLC that NRC licenses to import, distribute, and possess watches containing radioactive material would cost approximately \$20,000. After learning this, the Director/Owner of Plus, LLC informed the consultant of the business decision not to proceed with obtaining the NRC licenses. In his OI interview, the Director/Owner of Plus, LLC admitted that he knowingly made the decision not to apply for and obtain the required NRC licenses because of the monetary costs.

Based on the evidence gathered during the investigation, it appears that between approximately February 23, 2013 and September 7, 2014, the Director/Owner of Plus, LLC was aware of the existence and applicability of the NRC licensing requirements to his business and of the costs related to obtaining the necessary NRC licenses. Further, it appears that despite his awareness of the NRC licensing requirements, the Director/Owner of Plus, LLC deliberately imported and distributed watches containing byproduct material without having the necessary NRC licenses, in apparent violation of 10 CFR 30.3(a), 30.15, and 110.5.

On October 1, 2014, Plus, LLC submitted possession license application. On April 23, 2015, NRC issued possession license 06-35183-01. The NRC letter to Plus, LLC transmitting the license, included a statement that the license does not authorize the sale or distribution of licensed materials.

On April 8, 2015, the NRC OI Region I field office initiated a second investigation to determine whether Plus, LLC, deliberately imported additional watches containing licensed material into the United States and distributed the watches, without having the required NRC licenses. The investigation was completed on October 1, 2015, and was documented in the OI Report 1-2015-017.

Based on the evidence gathered during this investigation, it appears that between approximately October 2014 to February 2015, Plus, LLC imported 115 watches containing tritium tubes from overseas, without having a general or specific NRC import license or a possession license issued by the NRC, and without being able to demonstrate that the watches were obtained from an entity licensed to initially transfer those watches as an exempt-use product. Furthermore, it appears that during this same period, Plus, LLC initially transferred those watches to unlicensed persons without having a NRC exempt distribution license.

In a June 11, 2015 OI interview, the Plus, LLC owner explained that in addition to Plus, LLC, he conducts business under the domain name Discountshop and the web IDs Citilux and Plus Brands. He also stated that Plus, LLC had facilitated 110 orders since October 2014, from Mirnar, a Hong Kong-based supplier of tritium Luminor watches. Plus, LLC had been regularly purchasing watches from Mirnar but stopped in October 2014, after the Plus, LLC owner applied for and was awaiting approval of his NRC licenses. As a result, the supplier had a large inventory that it could not sell right before the holiday season, and asked the Plus, LLC owner whether they could use his Amazon account to market the watches in the United States. Under this arrangement, Plus, LLC listed the watches for sale on their CitiLUX seller's site on Amazon. When a sale was made via Plus, LLC's CitiLUX web ID, the Hong-Kong supplier shipped the watches directly to the end customer. Plus, LLC sold 110 watches in this manner between October 31, 2014, and February 11, 2015. Plus, LLC received a payment for each watch transferred.

Although it is possible the Plus, LLC owner believed this arrangement was permissible based on the information he was provided, the weight of the evidence suggests that he knew enough to have doubts as to the legality of the process he chose, he missed opportunities to ask NRC staff members or his consultant about the arrangement, and he engaged in conduct he knew could cause violations anyway.

Therefore, based on the evidence gathered during the investigation, it appears that the Director/Owner of Plus, LLC was aware of the existence and applicability of the NRC licensing requirements to his business. It further appears that despite his awareness of the NRC licensing requirements, the Director/Owner of Plus, LLC acted in careless disregard of those requirements when he imported and distributed watches containing byproduct material without having the necessary NRC licenses, in apparent violation of 10 CFR 30.3(a), 30.15, and 110.5.

NRC INFORMATION NOTICE 96-28

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS
WASHINGTON, D.C. 20555

May 1, 1996

NRC INFORMATION NOTICE 96-28: SUGGESTED GUIDANCE RELATING TO
DEVELOPMENT AND IMPLEMENTATION OF
CORRECTIVE ACTION

Addressees

All material and fuel cycle licensees.

Purpose

The U.S. Nuclear Regulatory Commission (NRC) is issuing this information notice to provide addressees with guidance relating to development and implementation of corrective actions that should be considered after identification of violation(s) of NRC requirements. It is expected that recipients will review this information for applicability to their facilities and consider actions, as appropriate, to avoid similar problems. However, suggestions contained in this information notice are not new NRC requirements; therefore, no specific action or written response is required.

Background

On June 30, 1995, NRC revised its Enforcement Policy, to clarify the enforcement program's focus by, in part, emphasizing the importance of identifying problems before events occur, and of taking prompt, comprehensive corrective action when problems are identified. Consistent with the revised Enforcement Policy, NRC encourages and expects identification and prompt, comprehensive correction of violations.

In many cases, licensees who identify and promptly correct non-recurring Severity Level IV violations, without NRC involvement, will not be subject to formal enforcement action. Such violations will be characterized as "non-cited" violations as provided in Section VI.A of the Enforcement Policy. Minor violations are not subject to formal enforcement action. Nevertheless, the root cause(s) of minor violations must be identified and appropriate corrective action must be taken to prevent recurrence.

If violations of more than a minor concern are identified by the NRC during an inspection, licensees will be subject to a Notice of Violation and may need to provide a written response, as required by 10 CFR 2.201, addressing the causes of the violations and corrective actions taken to prevent recurrence.

In some cases, such violations are documented on Form 591 (for materials licensees) which constitutes a notice of violation that requires corrective action but does not require a written response. If a significant violation is involved, a predecisional enforcement conference may be held to discuss those actions.

The quality of a licensee's root cause analysis and plans for corrective actions may affect the NRC's decision regarding both the need to hold a predecisional enforcement conference with the licensee and the level of sanction proposed or imposed.

Discussion

Comprehensive corrective action is required for all violations. In most cases, NRC does not propose imposition of a civil penalty where the licensee promptly identifies and comprehensively corrects violations. However, a Severity Level III violation will almost always result in a civil penalty if a licensee does not take prompt and comprehensive corrective actions to address the violation.

It is important for licensees, upon identification of a violation, to take the necessary corrective action to address the noncompliant condition and to prevent recurrence of the violation and the occurrence of similar violations. Prompt comprehensive action to improve safety is not only in the public interest, but is also in the interest of licensees and their employees. In addition, it will lessen the likelihood of receiving a civil penalty. Comprehensive corrective action cannot be developed without a full understanding of the root causes of the violation.

Therefore, to assist licensees, the NRC staff has prepared the following guidance, that may be used for developing and implementing corrective action. Corrective action should be appropriately comprehensive to not only prevent recurrence of the violation at issue, but also to prevent occurrence of similar violations. The guidance should help in focusing corrective actions broadly to the general area of concern rather than narrowly to the specific violations. The actions that need to be taken are dependent on the facts and circumstances of the particular case.

The corrective action process should involve the following three steps:

1. Conduct a complete and thorough review of the circumstances that led to the violation.
Typically, such reviews include:

Interviews with individuals who are either directly or indirectly involved in the violation, including management personnel and those responsible for training or procedure development/guidance. Particular attention should be paid to lines of communication between supervisors and workers.

Tours and observations of the area where the violation occurred, particularly when those reviewing the incident do not have day-to-day contact with the operation under review. During the tour, individuals should look for items that may have contributed to the violation as well as those items that may result in

future violations. Reenactments (without use of radiation sources, if they were involved in the original incident) may be warranted to better understand what actually occurred.

Review of programs, procedures, audits, and records that relate directly or indirectly to the violation. The program should be reviewed to ensure that its overall objectives and requirements are clearly stated and implemented. Procedures should be reviewed to determine whether they are complete, logical, understandable, and meet their objectives (i.e., they should ensure compliance with the **current** requirements). Records should be reviewed to determine whether there is sufficient documentation of necessary tasks to provide a record that can be audited and to determine whether similar violations have occurred previously. Particular attention should be paid to training and qualification records of individuals involved with the violation.

2. Identify the root cause of the violation.

Corrective action is not comprehensive unless it addresses the root cause(s) of the violation. It is essential, therefore, that the root cause(s) of a violation be identified so that appropriate action can be taken to prevent further noncompliance in this area, as well as other potentially affected areas. Violations typically have direct and indirect cause(s). As each cause is identified, ask what other factors could have contributed to the cause. When it is no longer possible to identify other contributing factors, the root causes probably have been identified. For example, the direct cause of a violation may be a failure to follow procedures; the indirect causes may be inadequate training, lack of attention to detail, and inadequate time to carry out an activity. These factors may have been caused by a lack of staff resources that, in turn, are indicative of lack of management support. Each of these factors must be addressed before corrective action is considered to be comprehensive.

3. Take prompt and comprehensive corrective action that will address the immediate concerns **and** prevent recurrence of the violation.

It is important to take immediate corrective action to address the specific findings of the violation. For example, if the violation was issued because radioactive material was found in an unrestricted area, **immediate** corrective action must be taken to place the material under licensee control in authorized locations. After the immediate safety concerns have been addressed, timely action must be taken to prevent future recurrence of the violation. Corrective action is sufficiently comprehensive when corrective action is broad enough to reasonably prevent recurrence of the specific violation as well as prevent similar violations.

In evaluating the root causes of a violation and developing effective corrective action, consider the following:

1. Has management been informed of the violation(s)?
2. Have the programmatic implications of the cited violation(s) and the potential presence of similar weaknesses in other program areas been considered in formulating corrective actions so that both areas are adequately addressed?
3. Have precursor events been considered and factored into the corrective actions?
4. In the event of loss of radioactive material, should security of radioactive material be enhanced?
5. Has your staff been adequately trained on the applicable requirements?
6. Should personnel be re-tested to determine whether re-training should be emphasized for a given area? Is testing adequate to ensure understanding of requirements and procedures?
7. Has your staff been notified of the violation and of the applicable corrective action?
8. Are audits sufficiently detailed and frequently performed? Should the frequency of periodic audits be increased?
9. Is there a need for retaining an independent technical consultant to audit the area of concern or revise your procedures?
10. Are the procedures consistent with current NRC requirements, should they be clarified, or should new procedures be developed?
11. Is a system in place for keeping abreast of new or modified NRC requirements?
12. Does your staff appreciate the need to consider safety in approaching daily assignments?
13. Are resources adequate to perform, and maintain control over, the licensed activities? Has the radiation safety officer been provided sufficient time and resources to perform his or her oversight duties?
14. Have work hours affected the employees' ability to safely perform the job?
15. Should organizational changes be made (e.g., changing the reporting relationship of the radiation safety officer to provide increased independence)?
16. Are management and the radiation safety officer adequately involved in oversight and implementation of the licensed activities? Do supervisors adequately observe new employees and difficult, unique, or new operations?

17. Has management established a work environment that encourages employees to raise safety and compliance concerns?
18. Has management placed a premium on production over compliance and safety? Does management demonstrate a commitment to compliance and safety?
19. Has management communicated its expectations for safety and compliance?
20. Is there a published discipline policy for safety violations, and are employees aware of it? Is it being followed?