



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

July 1, 2015

Tom Chapman, Vice President
Vertical V, Inc.
7895 Convoy Court, Suite 18
San Diego, CA 92111

SUBJECT: NRC INSPECTION REPORT NO. 030-35295/2015-001 AND NOTICE OF VIOLATION

Dear Mr. Chapman:

This letter refers to the routine, unannounced inspection conducted on April 27, 2015, at your facility in San Diego, California. The inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of the license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observation of licensed activities, and interviews with your staff. Preliminary inspection findings were discussed with you at the conclusion of the onsite inspection. A final telephonic exit briefing was conducted with you on May 21, 2015.

Based on the results of this inspection, the Nuclear Regulatory Commission (NRC) has determined that one violation of NRC requirements occurred. The violation was evaluated 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 violation is cited in the enclosed Notice of Violation (Notice) because it was identified by the NRC during the inspection. The violation involved the failure to notify the NRC about a change to the licensee's radiation safety officer (RSO) after the previous RSO left your employment in November 2014. Although licensee management had assigned an individual who had the appropriate qualifications to replace the RSO the licensee failed to submit a license amendment request to the NRC. The licensee corrected the violation by submitting a license amendment request to the NRC by letter dated April 27, 2015, (ADAMS Accession Number ML15119A587) and received NRC approval of its request by letter dated May 21, 2015, (ADAMS Accession Number ML15142A735). As a result, the violation was categorized at Severity Level IV.

The NRC has concluded that information regarding: (1) the reason for the violation; (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 on the docket in this letter and the letter from Vertical V, Inc. dated April 27, 2015, (ADAMS Accession Number ML15119A587). 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.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, 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 (if any) should not include any personal privacy or proprietary information, so that it can be made available to the Public without redaction.

Should you have any questions regarding this letter or the enclosed Notice, please contact Dr. Lizette Roldán-Otero at (817) 200-1596 or the undersigned at (817) 200-1130.

Sincerely,

/RA by JFKatanic Acting For/

G. Michael Vasquez, Chief
Nuclear Materials Safety Branch A
Division of Nuclear Materials Safety

Docket No.: 030-35295
License No.: 04-27654-01

Enclosure:
Notice of Violation (Notice)

cc: California Dept. of Public Health (CDPH)
Radiologic Health Branch
P.O. Box 997414, MS 7610
Sacramento, CA 95899-7414

provide additional information, you should follow the instructions specified in the enclosed Notice.

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Should you have any questions regarding this letter or the enclosed Notice, please contact Dr. Lizette Roldán-Otero at (817) 200-1596 or the undersigned at (817) 200-1130.

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 Radiologic Health Branch
 P.O. Box 997414, MS 7610
 Sacramento, CA 95899-7414

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NOTICE OF VIOLATION

Vertical V, Inc.
San Diego, California

Docket: 030-35295
License: 04-27654-01

During the U.S. Nuclear Regulatory Commission (NRC) inspection conducted on April 27, 2015, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

License Condition 12 of NRC Materials License 04-27654-01 identified a named individual as the Radiation Safety Officer for this license.

Contrary to the above, from November 2014 to May 21, 2015, the licensee, no longer employed the individual named in License Condition 12 of NRC Materials License 04-27654-01. Specifically, after the individual named on the license resigned in November 2014, the licensee assigned another individual to be Radiation Safety Officer and failed to submit a license amendment request to the NRC to review the qualifications of the individual.

This is a Severity Level IV violation (Section 6.3.d.8)

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved, is already adequately addressed on the docket in the letter from Vertical V, Inc. dated April 27, 2015 (ADAMS Accession Number ML15119A587). 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, DC 20555-0001 with a copy to the Regional Administrator, Region IV, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or in 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>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 1st day of July 2015

Enclosure