

September 4, 2015

EA-12-022

Mr. Kevin Doyle
President
Pentas Controls, LLC
20650 N 29th Place Suite 106
Phoenix, AZ 85050

Dear Mr. Doyle:

On June 30, 2015, two members of the U.S. Nuclear Regulatory Commission (NRC) staff visited your facility in Phoenix, Arizona to verify Pentas Controls, LLC's (Pentas Controls) and your compliance with several of the terms and conditions of the Attachment to the Judgment of Probation, dated February 13, 2013 (referred hereto as the Global Settlement Agreement) in the case *United States of America v. Kevin Andrew Doyle*. This June 30, 2015, visit followed the NRC staff's March 2015 inspection where the NRC staff verified Pentas Controls' and your compliance with several of the Global Settlement Agreement's other terms and conditions. During both NRC visits, the NRC staff interviewed Pentas Controls' employees and reviewed numerous documents.

Based on our interviews, Pentas Controls' employees believe that lines of communication between management and employees have been strengthened. In addition, employees stated that the general work environment has significantly improved, as all who were interviewed indicated that they would feel comfortable raising concerns to management or the NRC, as necessary. Based on the results of our verification activities, the NRC staff verified all the actions of the Global Settlement Agreement and found four slight deviations as discussed below.

The deviations are as follow:

1. Paragraph 1(a) of the Global Settlement Agreement required that, within 30 days of sentencing, Mr. Doyle provide a letter or memo to Pentas Controls' employees to inform them of all possible avenues available to employees to raise safety-related concerns. Mr. Doyle provided such memorandum within 35 days of sentencing rather than 30 days.
2. Paragraph 2(b)3F of the Global Settlement Agreement required that Pentas Controls provide refresher training in 2014 on the items described in the Global Settlement Agreement. Pentas Controls provided the 2014 refresher training in April 2015.

3. Paragraph 3(e) of the Global Settlement Agreement required that Pentas Controls create a management review team (MRT) composed of, at a minimum, an independent human resources specialist and a legal representative who are aware of NRC regulations and legal responsibilities who will provide oversight for any proposed adverse employment action involving Pentas Controls' employees. Pentas Controls created a MRT composed of an independent human resources specialist and Mr. Bruce Norton who has extensive background in, and knowledge of, the nuclear industry and who practiced law in the nuclear industry for more than two decades. However, Mr. Norton has voluntarily relinquished his law license several years ago and therefore no longer practices law. For purposes of your compliance with the Global Settlement Agreement, Mr. Bruce Norton will be deemed to have satisfied the legal representative requirement because of his background and significant knowledge of NRC regulations and policies.
4. Paragraph 4(d) of the Global Settlement Agreement required that Pentas Controls contract a third party auditor specializing in quality assurance (QA) to conduct an annual audit of Pentas Controls' QA program. The third party auditor was to be approved by the NRC. Although Pentas Controls hired a third party auditor specializing in QA in 2014, Pentas Controls neglected to seek prior NRC approval for the third party auditor. The NRC has since reviewed the third party auditor's qualifications and would have approved him if such approval was sought in a timely manner in advance of selecting him.

On June 30, 2015, we shared our findings with you during our exit meeting. During the exit meeting, the NRC staff also shared with you and the MRT our observations as summarized below:

1. Although not required, the MRT and Pentas Controls' employees may benefit from a procedure or charter that discusses MRT's role, responsibilities and company expectations, among other topics.
2. Although qualified in human resources matters and knowledgeable of NRC's employee protection and misconduct rules, the independent human resources specialist on the management review team may benefit from attending an NRC specific training or conference on the NRC's employee protection rule and employee concerns programs.
3. Although qualified as a QA professional, the Pentas Controls' QA Director may be served by benchmarking Pentas Controls' QA program against other vendors (vice power reactors) providing safety-related services or equipment to nuclear industry.

Overall, Pentas Controls is found to be compliant with the terms of the Global Settlement Agreement even with the slight deviations as referenced above. However, Pentas Controls may benefit from directing a greater degree of attention to detail and strict compliance with the terms of the Global Settlement Agreement. Strict compliance with the terms and conditions of the Global Settlement Agreement will mitigate against future deviations, if any that may seem to be inconsequential individually, but may constitute a violation of the Global Settlement Agreement when considered collectively.

K. Doyle

-3-

In accordance with Title 10 of the *Code of Federal Regulations* (10CFR) 2.390, "Public inspections, exemptions, requests for withholding," of the NRC's "Agency Rules of Practice and Procedure," the NRC will make available electronically for public inspection a copy of this letter, its enclosure, and your response (if any) through the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), which is accessible at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response (if you choose to provide one) should not include any personal privacy, proprietary, or Safeguards Information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request that such material be withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (e.g., explain why the disclosure of information would create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21, "Protection of Safeguards Information: Performance Requirements."

Sincerely,

/RA/

Patricia K. Holahan, Director
Office of Enforcement

cc: Michelle Kurth, ADP
7474 W. Chandler Blvd.
Chandler, AZ 85226

Bruce Norton, NTD Consulting Group
1501 Via Norte
Las Cruces, NM 88007

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Bruce Norton, NTD Consulting Group
1501 Via Norte
Las Cruces, NM 88007

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OFFICE	OE/CRB	OGC/DAGC*	OE:D
NAME	SGhasemian	MLemoncelli	PHolahan
DATE	8/20/2015	8/24/2015	9/4 /2015

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*OGC concurs and has not legal objection