



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

REGION III  
2443 WARRENVILLE RD. SUITE 210  
LISLE, IL 60532-4352

October 8, 2015

Mr. Jay D. Miller, Vice President  
Chicago Testing Laboratory, Inc.  
d/b/a/ Indianapolis Testing Laboratory, Inc.  
30W114 Butterfield Road  
Warrenville, IL 60555

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 03038067/2015001(DNMS) AND  
NOTICE OF VIOLATION – INDIANAPOLIS TESTING LABORATORY, INC.

Dear Mr. Miller:

On September 8, 2015, inspectors from the U.S. Nuclear Regulatory Commission (NRC) conducted a special inspection at your office in Warrenville, Illinois, with continued in-office review through September 28, 2015. The purpose of the inspection was to review activities performed under your NRC license to ensure that activities were being performed in accordance with NRC requirements. The in-office review included a review of your closure of your office in Indianapolis, Indiana, and the disposition of licensed radioactive material from that facility. Mr. Edward Kulzer and I conducted a final exit meeting by telephone with Mr. Christopher Chan of your staff on October 8, 2015, to discuss the inspection findings.

During this inspection, the NRC staff examined activities conducted under your license related to public health and safety. Additionally, the staff examined your compliance with the Commission's rules and regulations as well as the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that a Severity Level IV 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 website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation concerned the failure to verify that the transferee's license authorizes the receipt of the type, form, and quantity of byproduct material to be transferred, as required by Title 10 of the *Code of Federal Regulations* (CFR) Part 30.41(c). The violation is cited in the enclosed Notice of Violation (Notice) (Enclosure 1). The NRC is citing the violation in the Notice because it was identified by the inspector.

The inspectors determined that the root cause of the violation was an incomplete understanding of the requirements in 10 CFR 30.41(c) and the terms and conditions of the transferee's license. As a corrective action to prevent recurrence, you requested termination of your NRC License on September 29, 2015.

J. Miller

-2-

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in this letter. 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's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website 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 publicly available without redaction.

Please feel free to contact Mr. Kulzer of my staff if you have any questions regarding this inspection. Mr. Kulzer can be reached at 630-829-9875.

Sincerely,

*/RA/*

Aaron T. McCraw, Chief  
Materials Inspection Branch  
Division of Nuclear Materials Safety

Docket No. 030-38067  
License No. 13-32754-01

Enclosure:  
Notice of Violation

cc w/encl: Christopher Chan,  
Regional Manager  
State of Illinois

J. Miller

-2-

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in this letter. 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's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website 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 publicly available without redaction.

Please feel free to contact Mr. Kulzer of my staff if you have any questions regarding this inspection. Mr. Kulzer can be reached at 630-829-9875.

Sincerely,

*/RA/*

Aaron T. McCraw, Chief  
Materials Inspection Branch  
Division of Nuclear Materials Safety

Docket No. 030-38067  
License No. 13-32754-01

Enclosure:  
Notice of Violation

cc w/encl: Christopher Chan,  
Regional Manager  
State of Illinois

DISTRIBUTION

Darrell Roberts  
John Giessner  
Julio Lara

Rick Skokowski  
Carole Ariano  
Paul Pelke

Jim Clay  
Carmen Olteanu  
MIB Inspectors

ADAMS Accession Number: ML15282A507

Publicly Available    Non-Publicly Available    Sensitive    Non-Sensitive

To receive a copy of this document, indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

OFFICE	RIII-DNMS		RIII-DNMS				
NAME	EKulzer:ps		AMcCraw				
DATE	10/07/2015		10/08/2015				

OFFICIAL RECORD COPY

## NOTICE OF VIOLATION

Chicago Testing Laboratory, Inc.  
d/b/a Indianapolis Testing Laboratory, Inc.  
Warrenville, Illinois

License No. 13-32754-01  
Docket No. 030-38067

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted on September 8, 2015, with continued in-office review through September 28, 2015, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Title 10 of the *Code of Federal Regulations* (CFR) Section 30.41(c) requires, in part, that the licensee transferring byproduct material shall verify that the transferee's license authorizes the receipt of the type, form, and quantity of byproduct material to be transferred.

Contrary to the above, on December 1, 2014, the licensee (Chicago Testing Laboratory, Inc. d/b/a Indianapolis Testing Laboratory, Inc.) transferred two Humboldt portable moisture/density gauges, each containing a nominal 8-millicurie cesium-137 source and a nominal 40-millicurie americium-241 source, to another NRC licensee that was not authorized by its NRC license to receive such materials in that device. Specifically, the recipient's license did not authorize the possession of Humboldt gauges.

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

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 transmitting this Notice of Violation (Notice). 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, IR 03038067/2015001(DNMS)" 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 III, within 30 days of the date of the letter transmitting this Notice.

If you choose to respond, your response 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>. 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.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

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

Dated this 8<sup>th</sup> day of October 2015.