



ENFORCEMENT PROGRAM ANNUAL REPORT

Calendar Year 2015

U.S. Nuclear Regulatory Commission
Office of Enforcement
Washington, DC 20555

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Executive Summary

The U.S. Nuclear Regulatory Commission (NRC) effectively carried out the agency's Enforcement Policy and Program in calendar year (CY) 2015. NRC headquarters and regional offices continued to focus on appropriate and consistent enforcement of the agency's regulations.

Escalated Enforcement Action Data

The Enforcement Policy defines an escalated enforcement action as a notice of violation (NOV) with a severity level (SL) of III or greater (SL I, II, and III NOVs); NOVs associated with an inspection finding that the significance determination process (SDP) evaluates as having low to moderate (white) or greater safety significance; civil penalties (CPs); NOVs to individuals; orders to modify, suspend, or revoke NRC licenses or the authority to engage in NRC-licensed activities; orders issued to impose civil penalties; and enforcement-related confirmatory orders (COs). During CY 2015, the NRC issued 80 escalated enforcement actions under traditional enforcement and the reactor oversight process (ROP). Of these actions, 15 involved CPs totaling \$259,700, 4 were enforcement orders without an imposed CP, and 61 were escalated NOVs without a proposed CP.

The total number of escalated enforcement actions decreased in CY 2015 by approximately 6 percent when compared to CY 2014. This 1-year trend was largely the result of a decrease in the number of escalated actions issued to nuclear materials user licensees. Over the past 5 years, the number of escalated enforcement actions issued by the agency has shown an overall declining trend; however, CY 2015 was consistent with the average number of escalated enforcement actions issued over the past 3 years. Section I of the annual report provides additional information on these trends.

Noteworthy Program Accomplishments

The Office of Enforcement (OE) issued four new or revised enforcement guidance memoranda (EGM) to support consistent enforcement decisions. OE also assessed Region III's implementation of the agency's enforcement program, with an emphasis on nonescalated enforcement for reactor and material licensees. Additionally, members of the OE staff supported an inspection, led by the Office of New Reactors, of Chicago Bridge and Iron Company's (CB&I's) implementation of a CO issued in 2014 following a successful alternative dispute resolution (ADR) mediation session.

Significant Cases

In CY 2015, the agency processed a number of significant cases that required extensive coordination and cooperation between internal and external stakeholders. These significant cases included: (1) an SL II violation with a proposed CP issued to CB&I, (2) two NOVs associated with a yellow SDP finding issued to Arkansas Nuclear One relating to the failure to design, construct, and maintain flood barriers to protect safety-related equipment from flooding, (3) an NOV associated with a yellow SDP finding issued to Oyster Creek Nuclear Generating Station regarding the design and installation of replacement electromatic relief valves, and (4) a CO issued to Columbia Generating Station as a result of an ADR settlement agreement for violations involving inattentive nuclear security officers.

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I. Program Overview

A. Mission and Authority

The U.S. Nuclear Regulatory Commission (NRC) regulates the civilian uses of nuclear materials in the United States to protect public health and safety, the environment, and the common defense and security. The agency accomplishes this mission through: licensing of nuclear facilities and the possession, use, and disposal of nuclear materials; the development and implementation of requirements governing licensed activities; and inspection and enforcement activities to ensure compliance with these requirements.

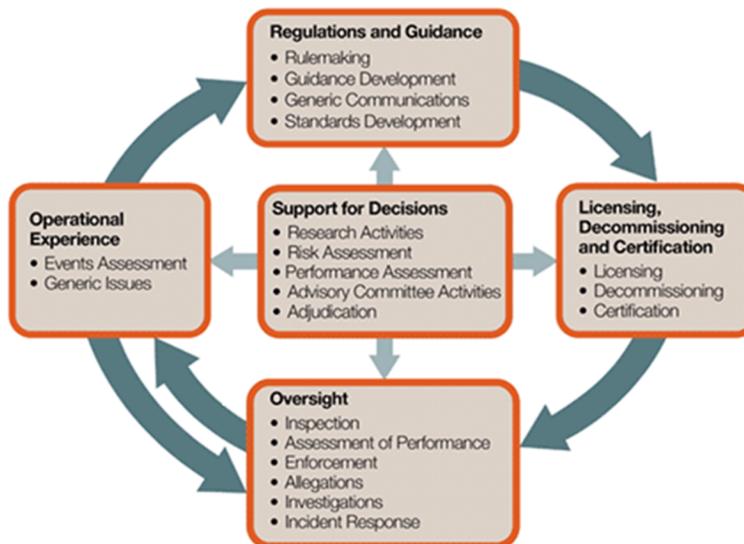


Figure 1 – How the NRC Regulates

The NRC conducts various types of inspections and investigations designed to ensure that the activities it licenses are conducted in strict compliance with the Commission’s regulations, the terms of the licenses, and other requirements.

The sources of the NRC’s enforcement authority are the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, as amended, and the Energy Policy Act of 2005. These statutes give the NRC broad authority with respect to its enforcement program. The Energy Policy Act of 2005 expanded the definition of byproduct material, placing additional byproduct material under the NRC’s jurisdiction including both naturally occurring and accelerator-produced radioactive materials (NARM). The agency carries out its enforcement authority through Title 10, “Energy,” of the *Code of Federal Regulations* (10 CFR) Part 2, “Agency Rules of Practice and Procedure,” Subpart B, “Procedure for Imposing Requirements by Order, or for Modification, Suspension, or Revocation of a License, or for Imposing Civil Penalties.” The Administrative Dispute Resolution Act of 1996 provides the statutory framework for the Federal Government to use alternative dispute resolution (ADR).

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The NRC Enforcement Policy establishes the general principles governing the NRC's Enforcement Program and specifies a process for implementing the agency's enforcement authority in response to violations of NRC requirements. This statement of policy is predicated on the NRC's view that compliance with its requirements has a key role in ensuring safety, maintaining security, and protecting the environment. The Enforcement Policy applies to all NRC licensees, to various categories of nonlicensees, and to individual employees of licensed and non-licensed firms involved in NRC-regulated activities.

The NRC enforces compliance as necessary. Enforcement actions serve as a deterrent, emphasize the importance of compliance with regulatory requirements, and encourage the prompt identification and comprehensive correction of violations. In addition, because violations occur in a variety of activities and have varying levels of significance, the NRC Enforcement Policy contains graduated sanctions.

Enforcement authority includes using notices of violation (NOVs), civil penalties (CPs), demands for information, and orders to modify, suspend, or revoke a license. The NRC staff may exercise discretion in determining the appropriate enforcement sanctions to be taken. Most violations are identified through inspections and investigations and are normally assigned a severity level (SL) ranging from SL IV for those of more than minor concern to SL I for the most significant.

The ROP supplements the enforcement process for operating nuclear reactors. A similar process has been implemented to assess findings at new reactor construction sites. Under the ROP, violations are not normally assigned an SL but instead are assigned "significance" by assessing their associated inspection findings through the ROP. Under this program, the NRC determines the risk significance of inspection findings using the significance determination process (SDP), which in turn assigns the colors of green, white, yellow, or red with increasing risk significance. Findings under the ROP may also include licensee failures to meet self-imposed standards. As such, ROP findings may or may not involve a violation of a regulatory requirement. Violations and findings assigned a greater-than-green color are considered escalated enforcement actions. While the ROP can process most violations at operating power reactors, it cannot address aspects of some violations; such violations require the NRC to follow the traditional enforcement process.

Under the ROP, violations that result in actual safety or security consequences, affect the ability of the NRC to perform its regulatory oversight function, or involve willfulness are processed under the traditional Enforcement Policy. In addition, while ROP findings are not normally subject to CPs, the NRC does consider CPs for any violation that involves actual consequences. SL IV violations and violations associated with green ROP findings are normally dispositioned as non-cited violations (NCVs). Inspection reports or records document NCVs and briefly describe the corrective action that the licensee has taken or plans to take, if they are known at the time the NCV is documented. Additional information about the ROP is available at <http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/index.html>.

The Office of Enforcement (OE) develops policies and programs for the enforcement of NRC requirements. In addition, OE oversees NRC enforcement activities, giving programmatic and implementation guidance to regional and headquarters offices that conduct or are involved in enforcement activities, and strives to ensure consistency between regional and program office implementation of the agency's Enforcement Program.

The NRC's enforcement Web site is available at <http://www.nrc.gov/about-nrc/regulatory/enforcement.html> and presents a variety of information, such as the Enforcement Policy; the Enforcement Manual; and current temporary enforcement guidance contained in enforcement guidance memoranda (EGM). This Web site also has information about escalated enforcement actions the NRC has issued to reactor and materials licensees, nonlicensees (vendors, contractors, and certificate holders), and individuals. In keeping with NRC practices and policies, details associated with most security-related actions and activities are not available on the NRC's public Web site.

B. Assessment of Escalated Enforcement Actions

Escalated enforcement actions include the following:

- NOVs, including SL I, II, or III violations
- NOVs associated with red, yellow, or white SDP findings (for operating reactor facilities)
- CP actions
- enforcement orders (including confirmatory orders (COs) that result from the ADR process, and orders to suspend, revoke or modify an NRC license)

During CY 2015, the NRC issued 80 escalated enforcement actions to licensees, nonlicensees, and individuals. Figure 2 shows the distribution of these actions, by the category of the action, for CY 2015.

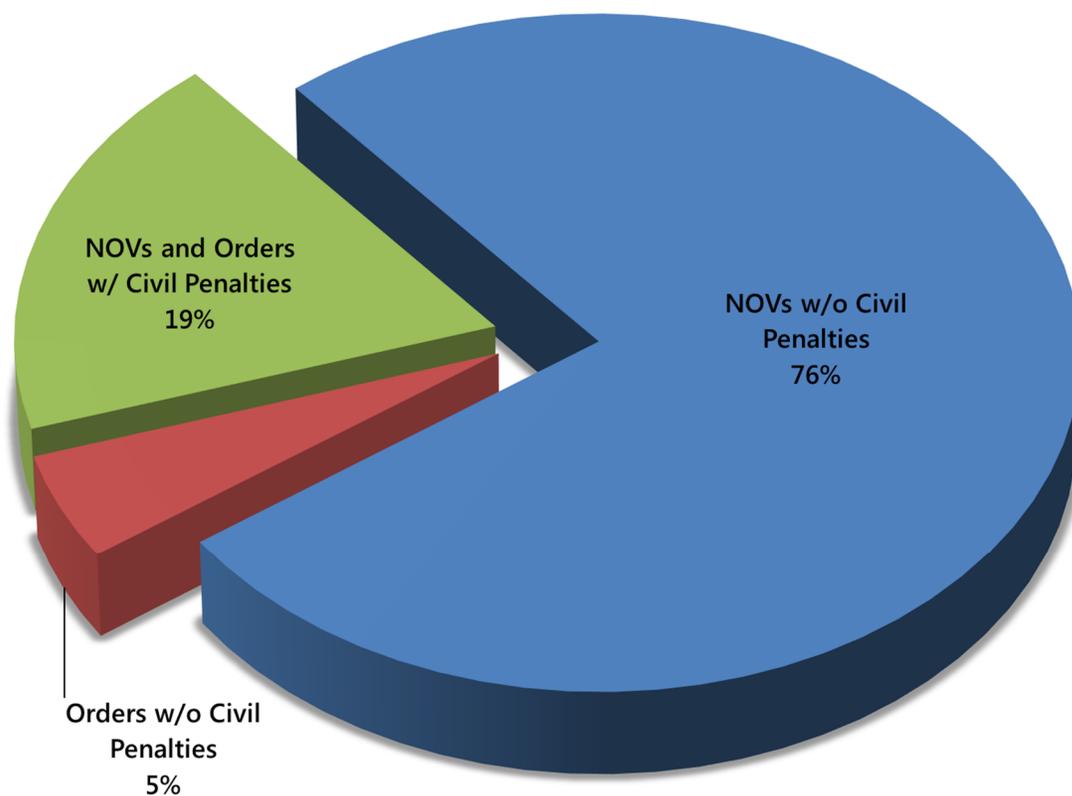


Figure 2 – Escalated Enforcement by Type of Action (CY 2015)

The most common type of escalated enforcement action was an NOV without a CP, with 61 of the 80 escalated actions (or 76 percent) issued during the year fitting this category. This percentage is consistent with the overall distribution of escalated enforcement actions during the past 5 years, where approximately 74 percent of all escalated actions issued between CY 2011 and CY 2015 have been NOVs without a CP. Generally speaking, a large percentage of NOVs without CPs is considered a positive outcome because it demonstrates that a majority of licensees identify and correct violations – a goal of the Enforcement Program.

The remaining 24 percent of escalated enforcement actions were split between NOVs and orders with a CP, and orders without a CP. As shown in Table 1 (on page 6), the NRC issued 15 CP actions (19 percent) and 4 orders without a CP (5 percent). The 15 CP actions included 13 NOVs, and 2 orders imposing a CP.

Figure 3 shows the distribution of escalated enforcement actions based on the business line, or type of licensee to whom the NRC issued escalated enforcement actions in CY 2015. For this figure, individual actions were included in the appropriate category of licensee, instead of being counted separately. Tables 3 and 4 at the end of this report give further details by identifying the region or program office that initiated the action, as well as additional details on the type of licensee, nonlicensee, and individual involved.

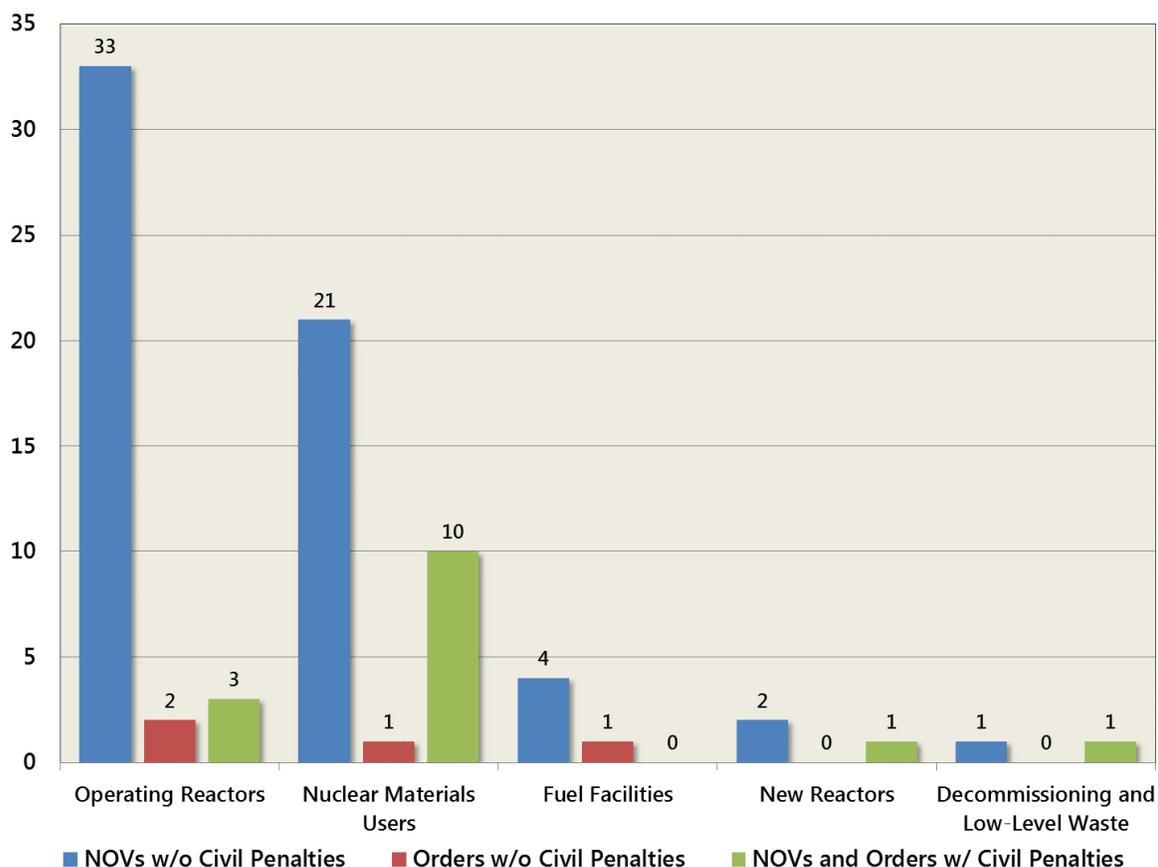


Figure 3 – Escalated Enforcement by Business Line (CY 2015)

As shown in Figure 3, operating reactor licensees received the largest percentage of all escalated enforcement actions (48 percent) issued by the NRC in CY 2015. This was followed by nuclear materials users who received 40 percent of all escalated enforcement actions. In CY 2015, the NRC issued five escalated actions to fuel facilities, two escalated actions to decommissioned sites, two escalated actions to a new reactors vendor, and one to a new reactor licensee. The new reactors’ enforcement actions were evaluated and issued under the traditional enforcement process, because the violations involved willfulness. Most findings and performance deficiencies identified at new reactor sites are evaluated under the Construction Reactor Oversight Process (cROP).

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1. Escalated Enforcement Trends

As previously noted, the NRC issued 80 escalated enforcement actions in CY 2015. The 80 actions represent an approximately 6 percent decrease from the number of actions issued in CY 2014. Table 1 shows a breakdown of the total number of escalated enforcement actions issued by the NRC over the past 5 years by type of enforcement action. Figure 4 (on page 7) displays this information in graphical form.

Table 1 – Escalated Action Trends¹

	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	Average
Escalated NOVs (w/o CPs)	88	79	55	60	61	69
NOVs and Orders w/ CPs	14	16	11	10	13	13
Orders Imposing CPs	0	0	0	2	2	1
Orders (w/o CPs)	6	19	10	13	4	10
Total	108	114	76	85	80	93

As shown in Table 1, the total number of escalated enforcement actions issued in CY 2015 is less than the 5-year average. However, while the overall trend is in the downward direction, CY 2015 was consistent with the most recent 3-year average. Figure 4 suggests that the trends observed since 2011 have been largely influenced by the number of escalated actions that do not involve a CP. Since 2011, the total number of orders and escalated actions with a CP has consistently been between 11 and 16 actions, averaging 13 to 14 per year.

To help explain the reasons for these trends, Figure 5 (on page 8) provides escalated enforcement trends between CYs 2011 and 2015 based on business lines. As shown in Figure 5, CY 2015's decrease in escalated actions when compared to CY 2014 may be attributed to the decrease in the number of escalated enforcement actions issued to materials user licensees. The decrease was offset by the fact that five escalated actions were issued to fuel facilities in CY 2015 (no escalated actions were issued to fuel facilities in 2014). When considering the past 5 years, the data show that the overall declining trend in escalated actions has primarily resulted from a general, but steady, decrease in the number of escalated actions issued to materials users since CY 2011. During this period, the number of escalated actions issued to materials users decreased by approximately 50 percent when compared to the number of escalated actions issued in the CY 2011–12 time frame.

¹ Note: Information reported for prior CYs may have been adjusted in this year's annual report to reflect more accurate data that was not available at the time the CY 2014 annual report was published.

Tables 4 and 5 at the end of this report offer a more detailed breakdown of enforcement actions issued during CY 2015 by the type of licensee.

The nuclear materials users' 5-year trend has been largely caused by a decline in enforcement actions issued to radiographers (a 73 percent reduction when compared to the CY 2011–12 time frame), hospitals (a 57 percent decrease from CY 2011–12), and gauge user licensees (a 26 percent reduction from the CY 2011–12 time frame). The staff's analysis of the materials user trend has not been conclusive. However, two causal factors may have affected the trend in the expected direction, therefore accounting for a substantial portion of the change but likely not the entire change. During the first year of the most recent 5-year period, the number of cases involving security-related increased controls violations was high because of the implementation of the additional requirements. Secondly, in CY 2011, the SL criteria of violations associated with certain gauge cases were changed from SL III to SL IV, reducing the number of escalated actions issued thereafter.

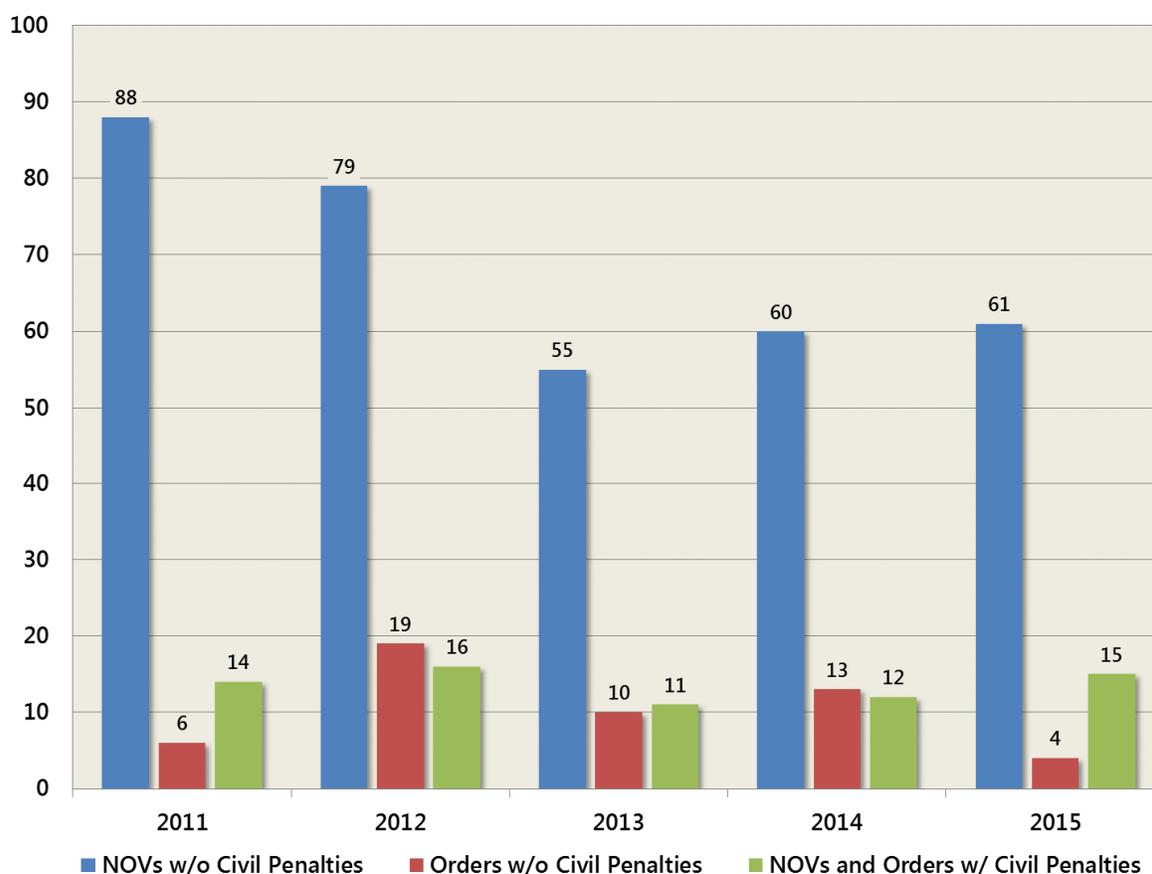


Figure 4 – Escalated Action Trends (CY 2011 to CY 2015)

The decrease from 2014 to 2015 for nuclear materials users may be attributed to gauge user licensees and individual actions. In 2015, the NRC issued 10 escalated actions to gauge users, and is a notable decrease from the 17 actions issued in 2014. However, the 10 escalated actions issued last year were largely consistent with the 5-year average of 12 per year. The number of escalated actions issued to individuals

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within the nuclear materials user business line also dropped from five in CY 2014 to one in CY 2015.

Figure 5 also shows that the number of escalated enforcement actions issued to operating reactor licensees between CYs 2011 and 2015 has been largely steady, ranging between 31 and 38 actions per year. The only exception to this trend occurred in CY 2012 when the NRC issued 51 escalated actions to operating reactors. Of these violations, 21 were associated with white SDP findings under the ROP, and six were associated with yellow and red SDP findings (which increased significantly over previous CYs). Also, CY 2012 experienced an unusually high number of violations issued to licensed reactor operators because of the multiple cases involving deliberate misconduct and Internet usage at River Bend in CY 2011.

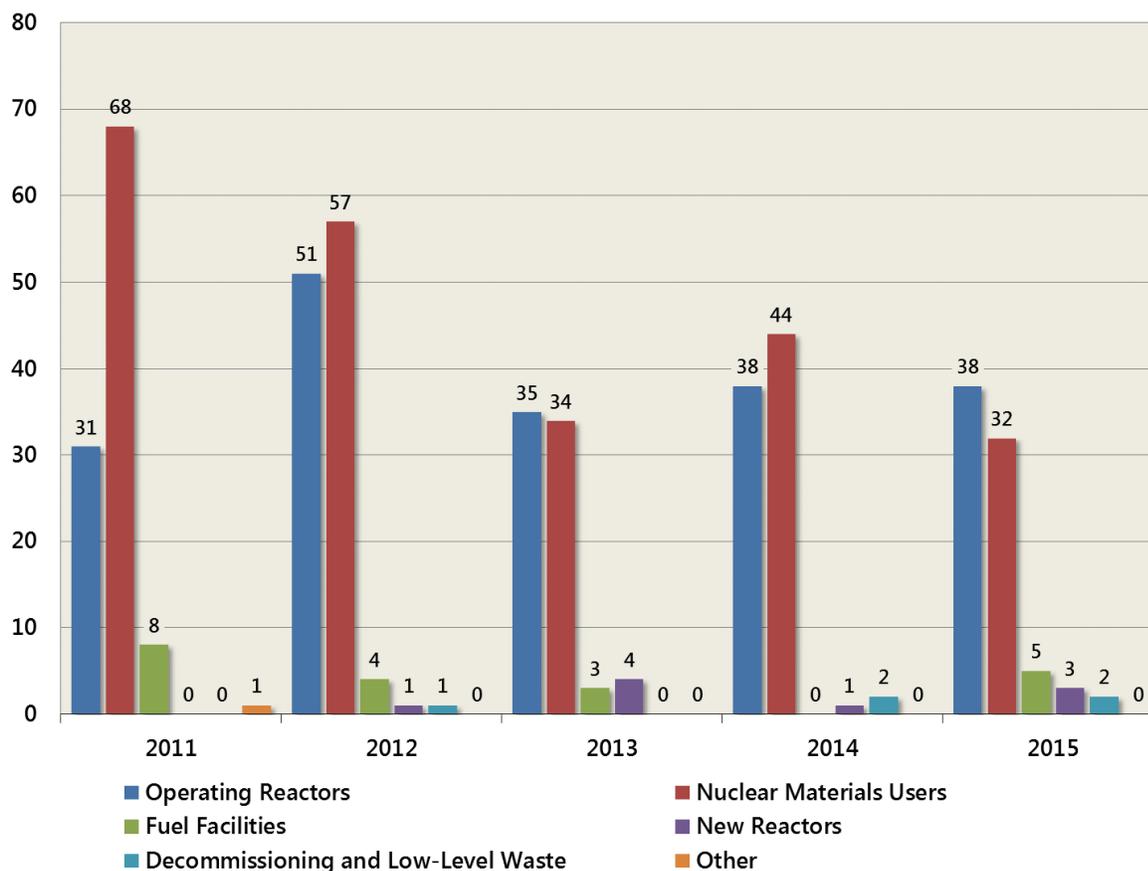


Figure 5 – Escalated Action Trends by Business Line (CY 2011 to CY 2015)

2. Civil Penalty Actions

In CY 2015, the agency processed 15 enforcement actions that involved CPs. Ten of the 15 CP actions were associated with materials user licensees, including four separate SL III violations totaling \$28,000, issued to CampCo, Inc. One CP action of \$11,200 was associated with a SL II violation issued to a nonlicensee vendor supporting new reactor construction (CB&I). A CP in the amount of \$70,000 was also issued to the Sequoyah Nuclear Power Plant for SL III violations of fire watch requirements.

Six of the 15 cases also involved “willfulness,” which is defined as either deliberate misconduct or careless disregard. The Commission is particularly concerned with the identification of willful violations. The NRC’s regulatory program is based on licensees and their contractors, employees, and agents acting with integrity and communicating with candor; therefore, the agency may consider a violation involving willfulness to be more egregious than the underlying violation, taken alone, would have been, and it may increase the SL accordingly.

Table 2 compares CP assessments proposed, imposed, and paid for the most recent 5 calendar years and the 5-year average. When reviewing the information in this table, it is important to note that an enforcement action may include more than one CP or more than one violation. In addition, a CP may be proposed in 1 year and paid or imposed in another year. In some cases, the NRC has approved a CP payment plan whereby a licensee is permitted to pay the CP in regular installments. Finally, the amount of a proposed CP may be reduced, for example, as a result of exercising discretion as part of a settlement agreement developed during ADR.

Table 2 – Civil Penalty Information

	2011	2012	2013	2014	2015	Average
No. of Proposed CPs	10	13	10	9	12	11
No. of Imposed CPs †	3	3	1	3	3	3
No. of Paid CPs	13	13	8	8	12	11
Amount of Proposed CPs	\$108,750	\$404,700	\$211,400	\$56,700	\$214,200	\$195,650
Amount of Imposed CPs	\$29,500	\$14,000	\$1,000	\$85,400	\$45,500	\$35,080
Amount of Paid CPs	\$130,529	\$404,450	\$176,500	\$110,362	\$176,364	\$199,641

† Imposition cases and associated CP amounts reflect CPs issued via an order and includes both (1) orders imposing a CP after a licensee does not pay a proposed CP, and (2) CPs agreed to in an ADR case that are included in the case CO. In the first scenario, the case is a subset of the proposed CP cases in that imposing the CP is the next step after a licensee does not pay a proposed CP. However, in the second scenario, an ADR settlement, potentially with a CP, can, and typically does, occur before any proposed CP.

The total number of CPs (proposed and imposed) issued in CY 2015 was slightly larger than the number of CPs issued in CY 2014, and was consistent with the average number issued over the last 5 years. However, the total CP dollar amount (proposed and imposed amounts) increased significantly (approximately 83 percent) in CY 2015 when compared to CY 2014.

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The number of CPs associated with ADR settlement agreements was the same in CY 2015 as in CY 2014 (one CP was imposed). In this case, Energy Northwest agreed to pay a penalty of \$35,000 as part of an ADR settlement agreement relating to violations at its Columbia Generating Station facility.

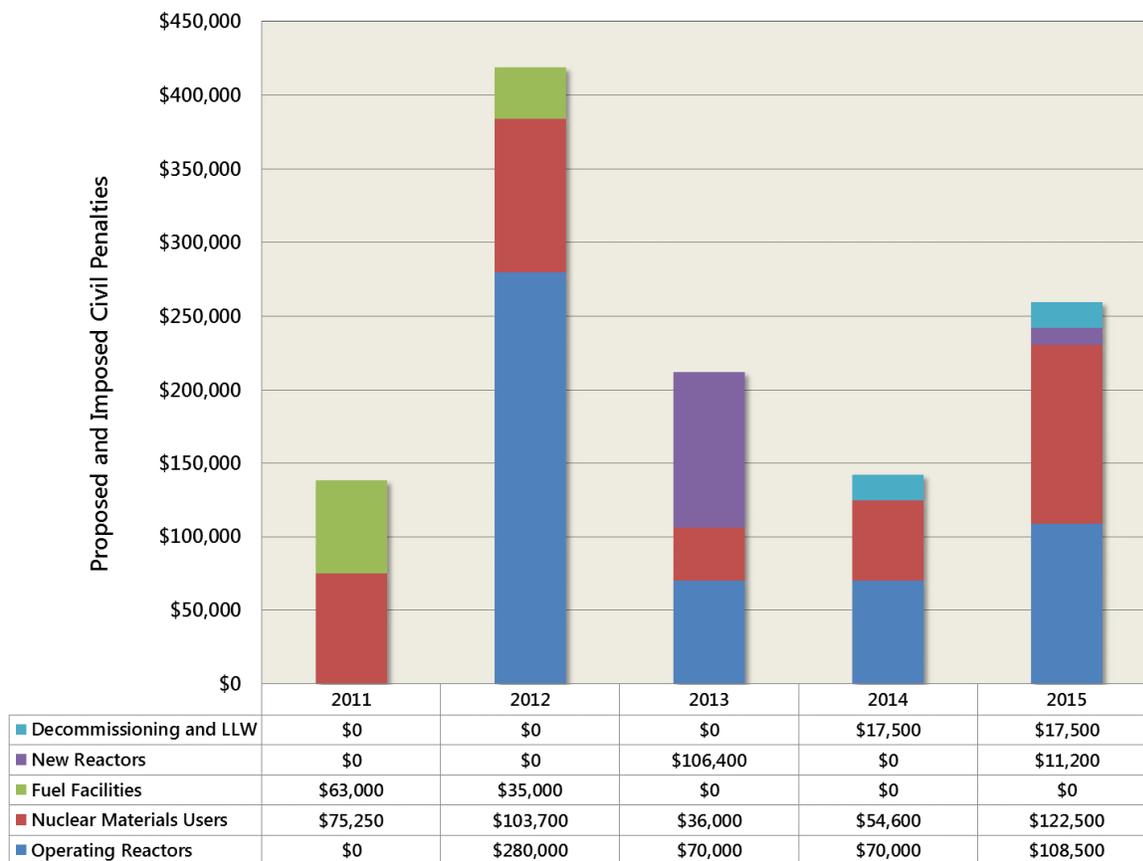


Figure 6 – Civil Penalty Trends by Business Line (CY 2011 to CY 2015)

Figure 6 shows the total dollar amount of proposed and imposed CPs, by licensee business lines, in CY 2015 and the preceding 4 years. Figure 7 (on page 11) shows the share of the total CP amounts issued over the past 5 years between each of the operating reactor, nuclear materials user, fuel facility and other licensee business lines. Often certain business lines may peak in a particular year because of a single CP (e.g., River Bend and Turkey Point in 2012). As a consequence, a single year often does not indicate a trend—an important factor to consider in assessing possible trends.

Appendix A includes a brief description of each of the CP actions for CY 2015. Security-related issues involving NOVs with CPs are not addressed in Appendix A; however, the number of NOVs associated with security related issues is included in the data discussed in this report.

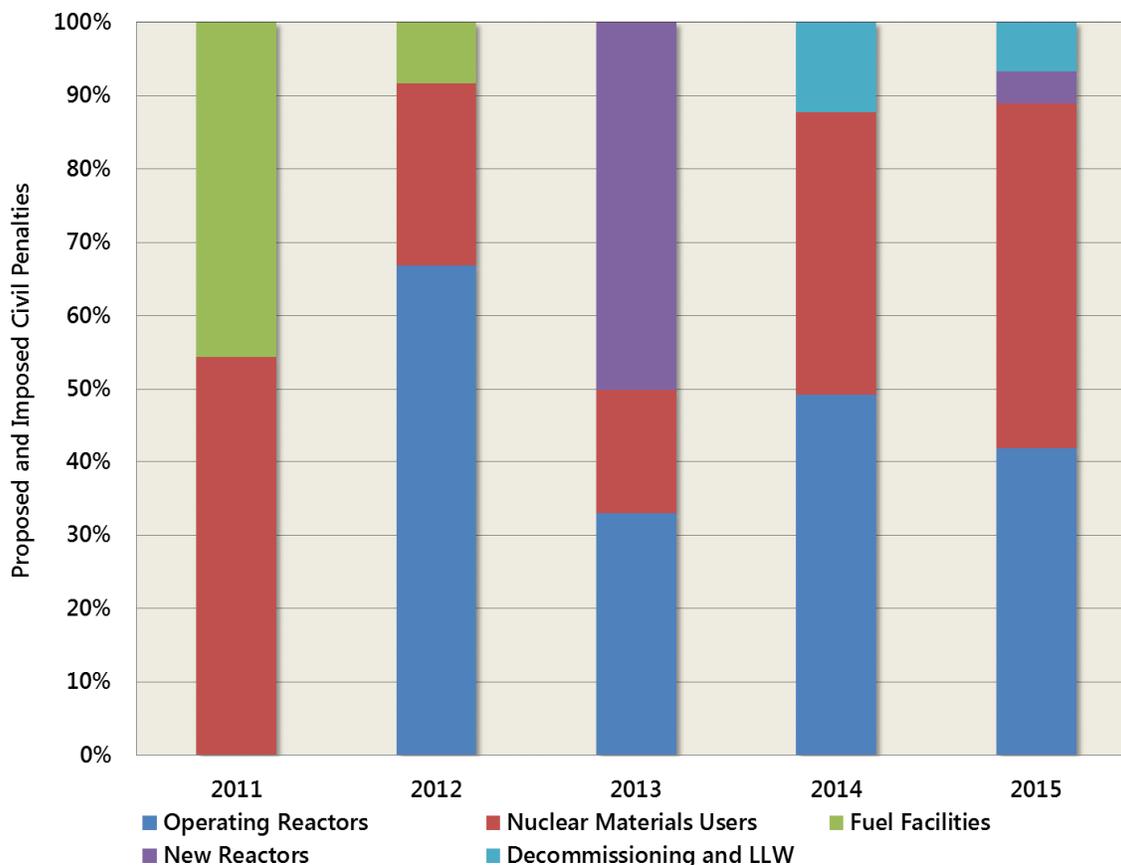


Figure 7 – Percentage of Civil Penalties by Business Line

3. Notices of Violation without Civil Penalties

In accordance with Section 2.3.4 of the Enforcement Policy, a CP may not be warranted for escalated enforcement actions evaluated under traditional enforcement if certain criteria are met. For instance, (1) the identified violation is the first nonwillful SL III violation identified in the past 2 years or during two inspections at the licensee’s facility and the licensee took adequate corrective action to prevent its recurrence, or (2) this was not the first nonwillful SL III violation identified in the past 2 years or during two inspections, but the licensee self-identified the violation and took adequate corrective action to prevent its recurrence. Violations assessed under the SDP normally are not considered for CPs. However, CPs are considered for violations associated with ROP inspection findings that involve actual consequences. In addition, the agency may use enforcement discretion, when deemed appropriate, to refrain from proposing a CP, regardless of the normal CP assessment process described above.

In CY 2015, the NRC issued 61 escalated NOV without CPs. These actions were predominately issued to operating reactor licensees (38 of 61), and materials user licensees (21 of 61). Eight of the 21 NOVs issued to materials licensees were associated with gauge users. Of the operating reactors’ violations, 14 were associated with white SDP findings under the ROP, and 3 violations were related to yellow SDP

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findings. For a third consecutive year, the NRC issued no red SDP findings with associated violations in CY 2015. Figure 8 (below) shows escalated NOV trends for SDP findings over the past 5 years. As indicated in Figure 8, the 17 escalated enforcement actions associated with SDP findings that were issued in CY 2015 represented a decrease from CY 2014.

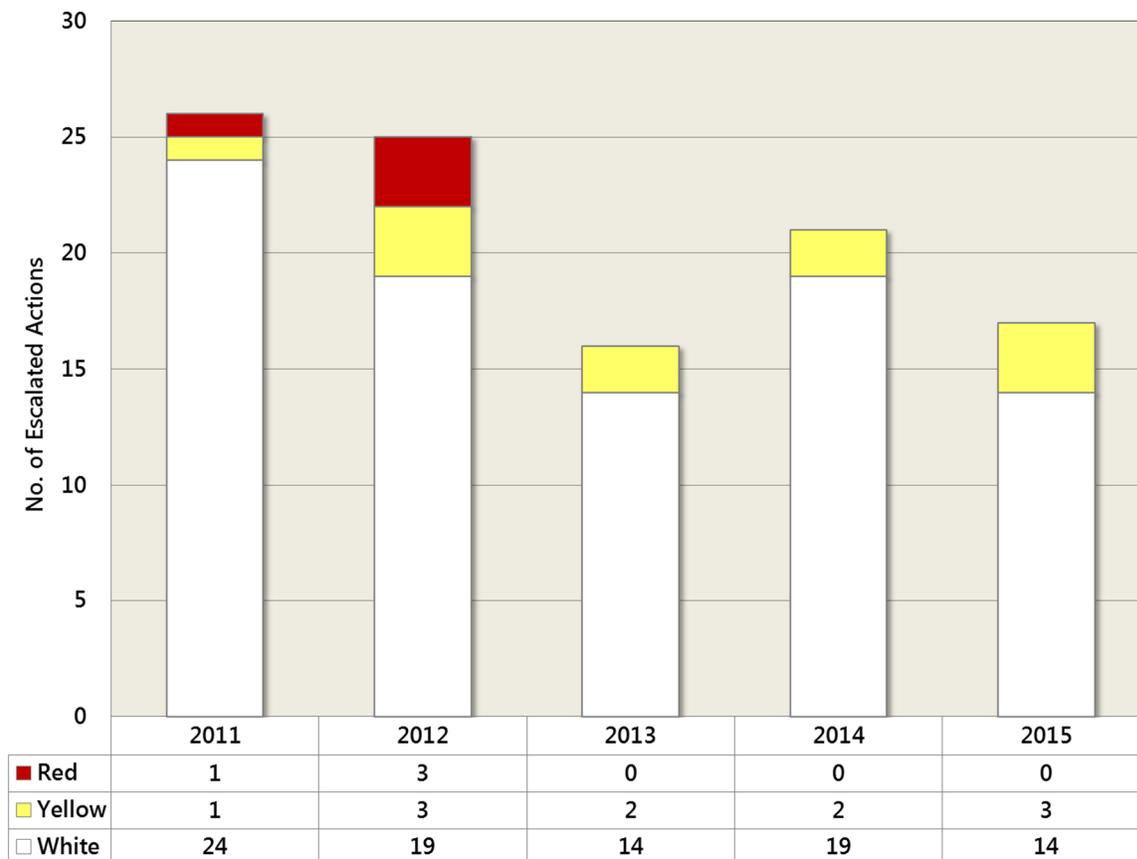


Figure 8 – Escalated Enforcement Associated with ROP SDP Findings

In CY 2015, there were four escalated NOV without CPs issued to fuel facility licensees. In the 4 years before 2015, fuel facility licensees averaged two escalated NOV each year. Appendix B to this report summarizes each of the NOV issued without a CP, as well as the NOV associated with SDP findings. Security-related issues involving NOV without CPs are not addressed in Appendix B; however, the number of NOV associated with security-related issues is included in the data discussed in this report.

4. Enforcement Program Timeliness

Escalated enforcement actions are issued in cases involving violations assessed at SL I, II, or III, if they are dispositioned under the traditional enforcement process, violations associated with white, yellow, or red findings issued to facilities participating in the ROP, and orders that impose sanctions. The timeliness associated with issuing escalated enforcement actions to reactor and materials licensees is an output measure (external goal) reported annually to Congress within the NRC's Performance

Accountability Report. The external goals, modified in 2012 to stress the importance of timely escalated enforcement actions, are as follows: (1) 100 percent of non-Office of Investigations (non-OI) based cases are to be completed with an NRC processing time of less than or equal to 160 days, and (2) 100 percent of OI-based cases are to be completed with an NRC processing time of less than or equal to 330 days.

In addition to the external goals, the NRC staff continues to use the additional timeliness measures (internal goals) for trending purposes and to provide information to support potential improvements to its processes. The internal goals are: (1) completing non-OI-based cases in an average NRC processing time of less than or equal to 120 days, and (2) completing OI-based cases in an average NRC processing time of less than or equal to 180 days.

The NRC processing time starts on the latest of the following dates: (1) the inspection exit for non-OI cases, (2) the date of the OI memorandum forwarding the report to the staff for OI related cases, (3) the date that the U.S. Department of Justice (DOJ) indicates that the NRC may proceed for cases either prosecuted or reviewed for an extended period of time by DOJ, or (4) the date of the U.S. Department of Labor decision that is the basis for the action. The cases are grouped together and treated as a single case whenever two or more enforcement action numbers are associated with one action.

In CY 2015, four non-OI related actions were issued in more than 160 processing days. Thus, the staff did not meet the external goals for dispositioning non-OI cases in 2015. In addition, one of the 17 OI-related enforcement actions was not issued in fewer than 330 processing days. Therefore, the staff also did not meet the external goals for dispositioning OI-related enforcement actions in 2015. This was the first time the staff has not met the external goals for processing both OI and non-OI cases in the same year. The five cases that did not meet the external timeliness goals involved a variety of licensees from the operating reactors and materials users' business lines, and included three of the four regions. All of the cases involved a greater than normal level of technical complexity, which often resulted in differing views from members of the staff. Two of the cases included the use of ADR mediation. The issue in one other case was classified and included a variety of differing views.

A number of steps have been taken and others will be considered to streamline the SDP and enforcement processes (e.g., increased use of the modified panel process). OE will work closely with the staff in identifying enforcement cases that are likely to involve complex technical issues and/or case-specific challenges, to help elevate and resolve potential differing views earlier in the enforcement process. These actions, coupled with additional emphasis on timeliness, will lead to improved performance in this area.

Figure 9 (on page 14) also shows that, on the average, the agency required 96 processing days to issue a non-OI related enforcement action. This is less than the goal of 120 processing days and is generally consistent with trends for the past 5 years.

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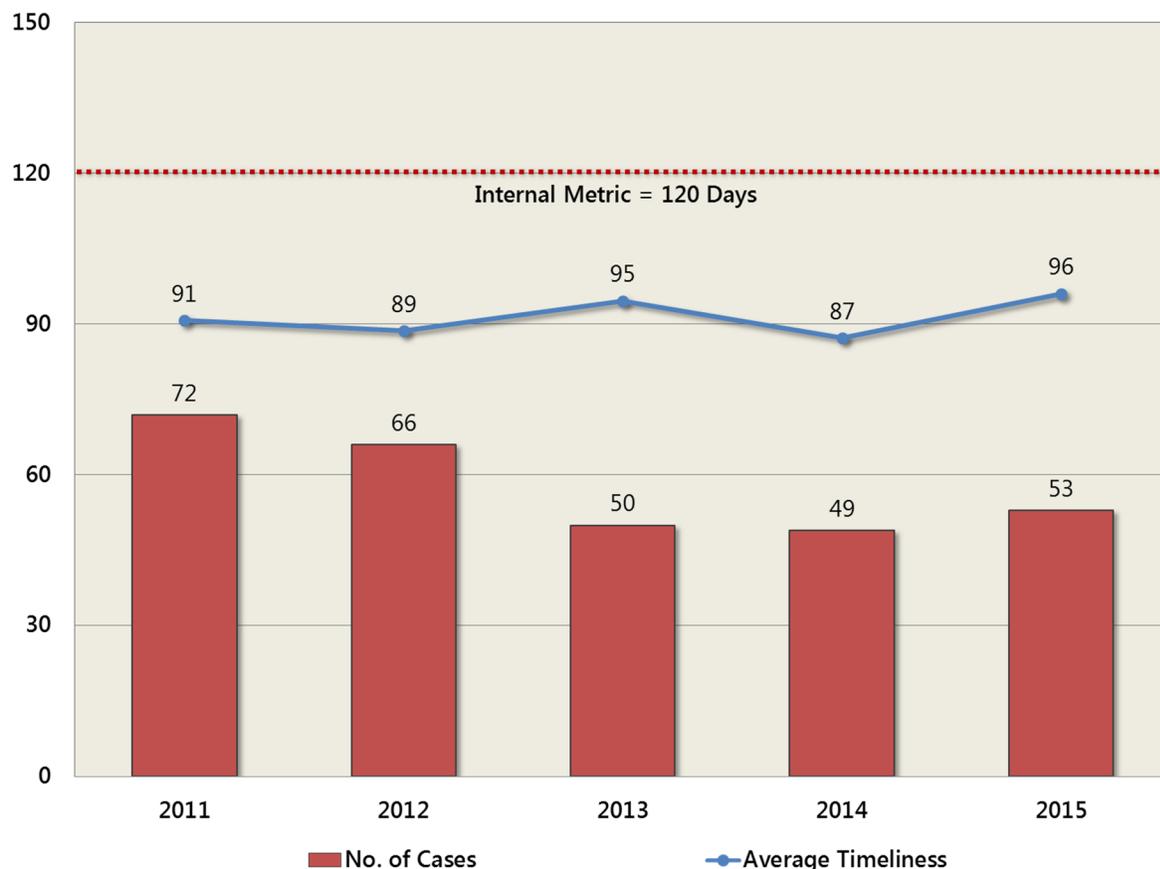


Figure 9 – Non-OI Case Timeliness Trends (Average Number of Days)

Figure 10 (on page 15) provides the case processing timeliness trends for OI-related escalated enforcement actions for the five most recent CYs. The figure shows that, on average, the agency required 220 days to issue an OI-related enforcement action in CY 2015. This number is significantly greater than the internal goal of 180 days, and is the second year in a row where there has been a reversal from the steady decline in average processing time that was observed between 2011 and 2013. This negative (increasing) trend was affected by four cases with processing times of greater than or equal to 300 days. In all four instances, the cases involved a variety of complex circumstances that required a significant amount of time early in the process to determine the appropriate initial course of action. The staff will continue to monitor this trend and seek other ways to improve case processing timeliness.

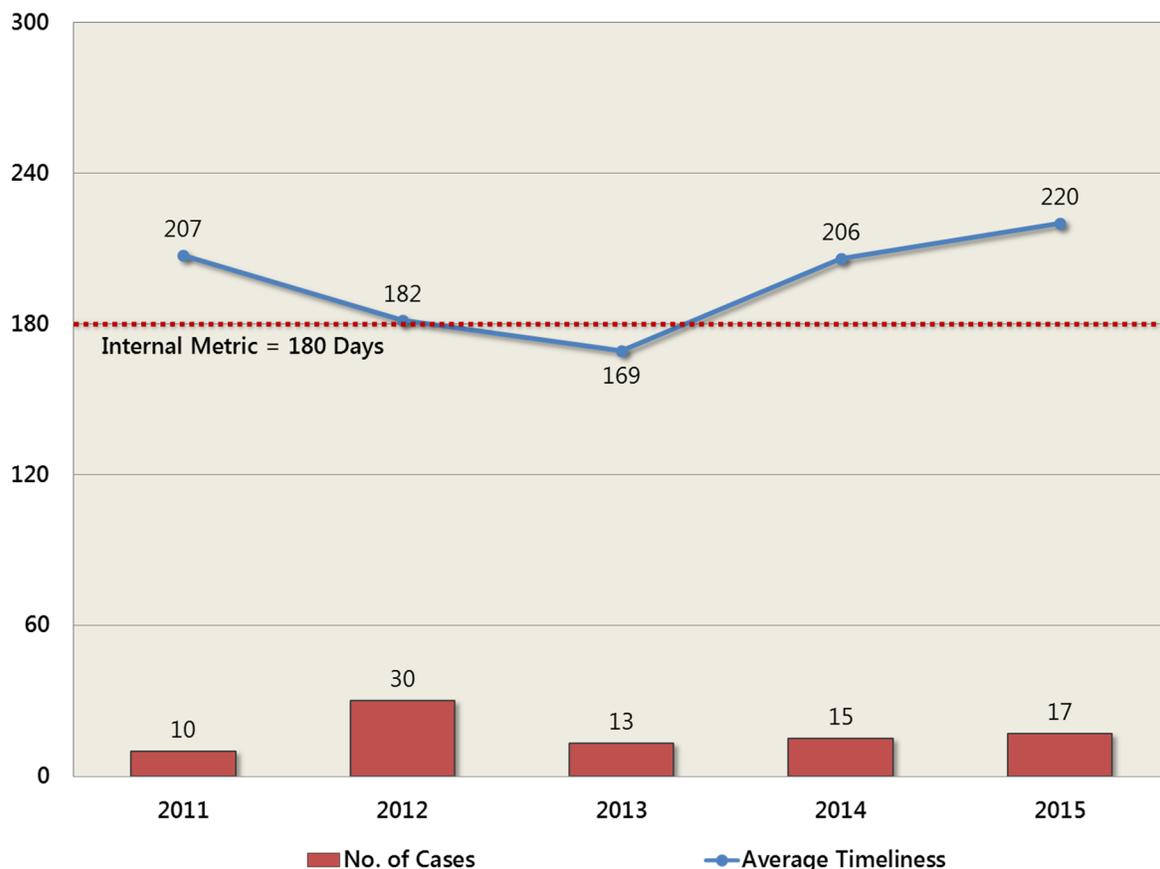


Figure 10 – OI Case Timeliness Trends (Average Number of Days)

5. Alternative Dispute Resolution

ADR refers to a variety of voluntary processes, such as mediation and facilitated dialogue that can be used to assist parties in resolving disputes and potential conflicts outside of courts using a neutral third party. The NRC employs mediation for its post-investigation ADR program, using a neutral third party with no decisionmaking authority, to help the parties attempt to reach an agreement. The process is voluntary in terms of the decision to participate and the content of the final agreement.

The term "post-investigation ADR" refers to the use of mediation after OI has completed its investigation and an enforcement panel has concluded that pursuit of an enforcement action appears to be warranted. Post-investigation ADR also includes all escalated nonwillful, traditional enforcement cases with a proposed CP.

Under the NRC’s post-investigation ADR process, mediation may be offered at three points in the enforcement process: (1) before a predecisional enforcement conference; (2) after the initial enforcement action is taken, typically the issuance of an NOV or proposed imposition of a CP; or (3) with the imposition of a CP and before a hearing request. The staff believes that for certain escalated enforcement actions, mediation affords the staff an opportunity to institute broader or more comprehensive

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corrective actions to better ensure public health and safety than outcomes typically achieved through the traditional enforcement process.

As Figure 11 shows, the post-investigation ADR program averages approximately five COs per year. In CY 2015, the NRC participated in three post-investigation ADR mediations, and all three resulted in orders confirming the terms of the parties' agreement. A fourth CO was issued in early CY 2015, following a successful ADR mediation session held in December 2014. In the past 5 years, more than 95 percent of the cases that used post-investigation ADR resulted in a settlement agreement, with only one ADR case that was unable to reach a settlement. In this one instance, the parties signed an agreement in principle; however, the individual involved was unresponsive when asked to sign the consent and waiver form.

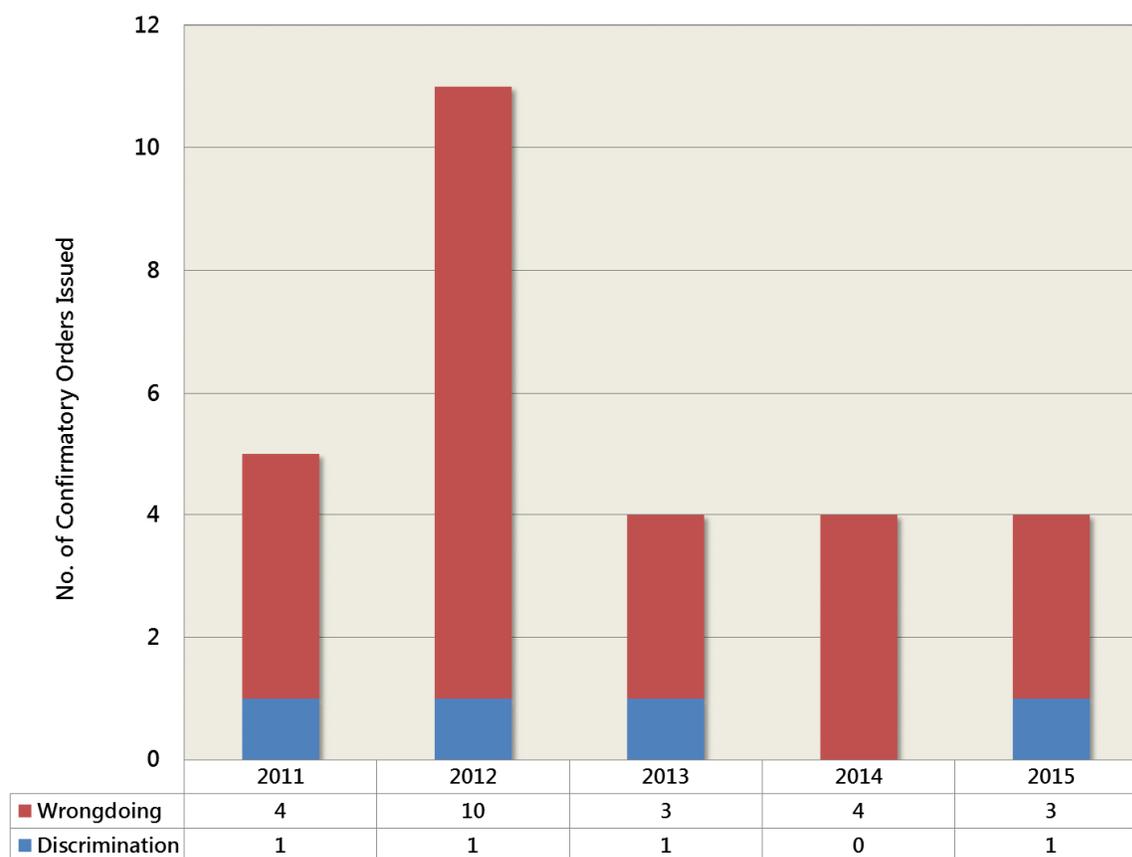


Figure 11 – ADR Confirmatory Orders Issued (CY 2011 to CY 2015)

In CY 2015, the staff continued its focus on enhancing the post-investigation ADR program's timeliness, transparency, and overall effectiveness. While recent program enhancements initiated in CY 2012 continue to have a positive effect on the ADR process from the time an ADR offer is made (see Figure 12 on page 17), over the past 4 years, the time taken to review OI investigative materials, bring a case to panel, and issue a choice letter has continued to increase steadily. OE plans to pursue ways to improve case timeliness by decreasing the time it takes to review a case and offer ADR.

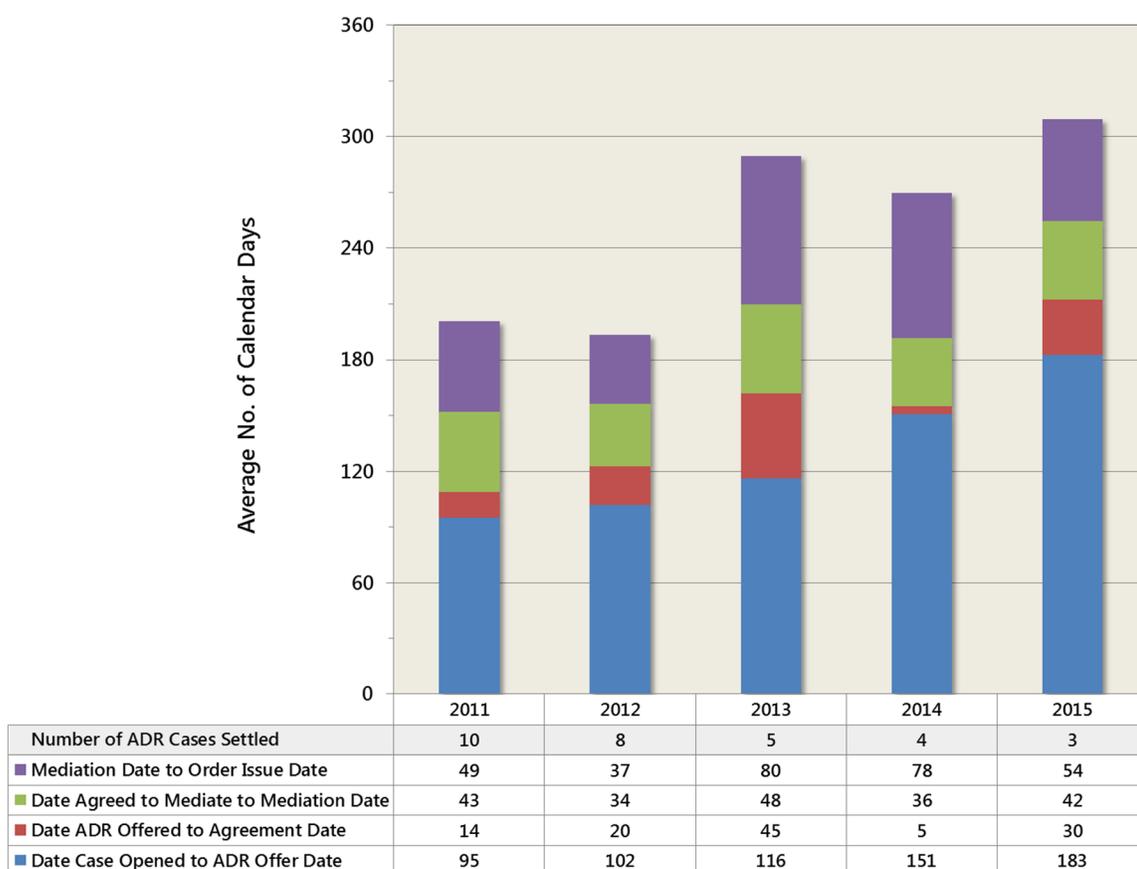


Figure 12 – Calendar Days from NRC Action to Issuance of Confirmatory Order

C. Nonescalated Enforcement

The Enforcement Program Annual Report has historically focused on escalated enforcement actions with little information regarding nonescalated enforcement provided. Nonescalated actions include SL IV NOVs and NCVs under traditional enforcement and NOVs and NCVs associated with green SDP findings under the ROP. In recent years, OE has recognized that the ability to trend data for nonescalated enforcement across the programs needs to be improved. One of the challenges in tracking and trending nonescalated enforcement actions is that these actions are recorded in separate databases by the regions and program offices. Operating reactors information is recorded in the Reactor Program System (RPS), materials users’ nonescalated actions are stored in the Web-based licensing (WBL) system, and new reactors construction data is maintained in the Construction Inspection Program Information Management System (CIPIMS).

On October 15, 2015, OE completed a review of tracking systems used for nonescalated enforcement actions in selected program areas. The review was performed, in part, due to commitments made in response to a 2008 audit by the Office of the Inspector General (OIG) that identified recommendations for tracking nonescalated violations (OIG-08-A-17). OE’s report identified the need for more detailed guidance from the respective program offices to

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improve consistency and completeness of nonescalated enforcement data, as well as to clarify tracking expectations. Furthermore, the report highlighted the value of each program area uniformly applying a single electronic tracking system, available to multiple users, that offers both electronic searching and collection of similar information to address informational needs. A more effective use of these systems will allow for a more complete presentation of the agency's use of nonescalated enforcement actions to achieve licensee compliance with NRC regulations.

Figure 13 provides information that was obtained by querying data from the RPS, WBL and CIPIMS systems. OE notes that information for CY 2015 may be artificially low because violations are recorded by the event date, and there is often a time lag between this date, the date of the inspection report, and the date this information is recorded in RPS, WBL and CIPIMS. Data for CYs 2011–2014 was adjusted from prior annual reports to reflect the most current information available.

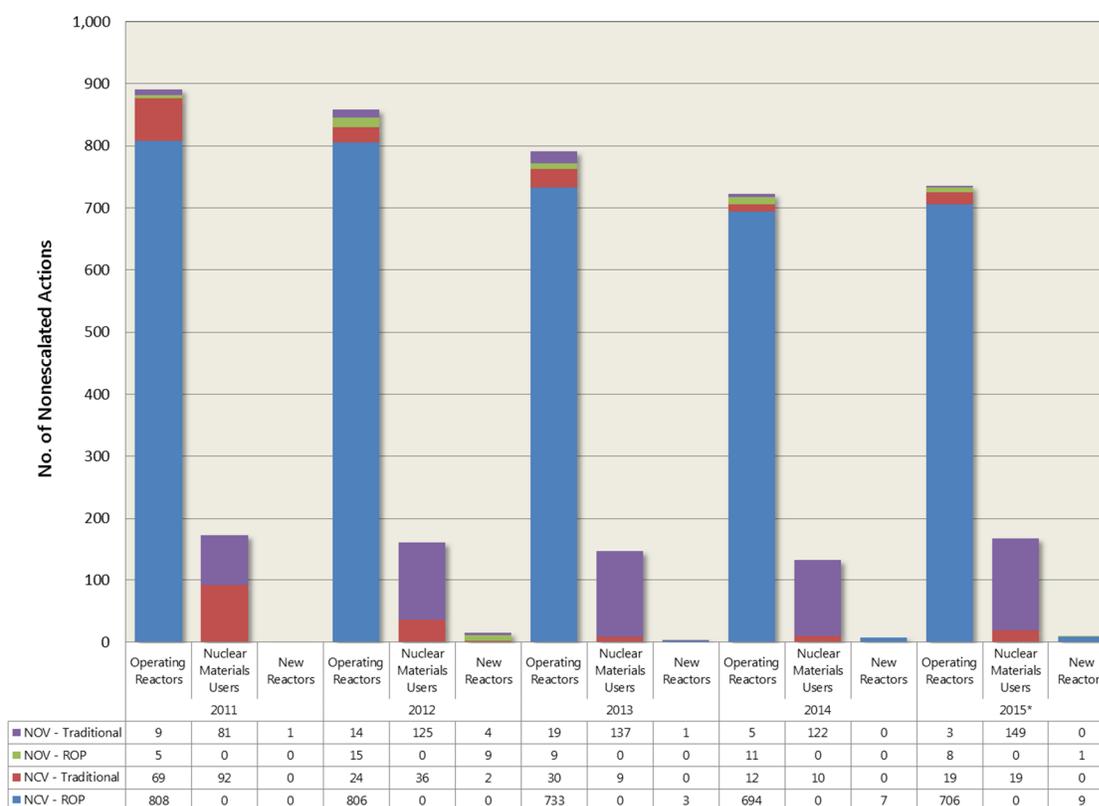


Figure 13 – Nonescalated Enforcement Trends (CY 2011 to CY 2015)

As shown in Figure 13, the NRC has issued approximately 700 to 900 nonescalated enforcement actions each year to operating reactors, and nuclear materials users have received, on average, 140 to 175 nonescalated actions for the 4 most recent calendar years. New reactor licensees have been issued approximately nine nonescalated actions in each of the last 4 years.

In 2013, the Government Accountability Office (GAO) issued a report titled “Nuclear Power: Analysis of Regional Differences and Improved Access to Information Could Strengthen NRC Oversight.” The report’s second finding related to the enforcement program generally,

and stated that “differences exist across NRC regions in identifying and resolving findings, and NRC has taken some steps to address them.” More specifically, GAO discussed the fact that the identification of nonescalated findings, which equate to very low risk significance, differed from region to region. GAO also noted that some steps had been taken to address these differences but that a comprehensive review of the reasons had not been undertaken. The number of escalated findings, which equate to greater risk significance, was more consistent across regions. In 2014, the NRC performed a study to address, in part, Recommendation 1 of the GAO report, and this study revealed that the regions were screening performance deficiencies for more than minor findings and assigning identification credit to findings of very low safety significance differently. As a result, the staff undertook efforts in CY 2015 to enhance its procedures, and plans to complete procedural revisions and training in 2016 in order to enhance predictability of the screening process.

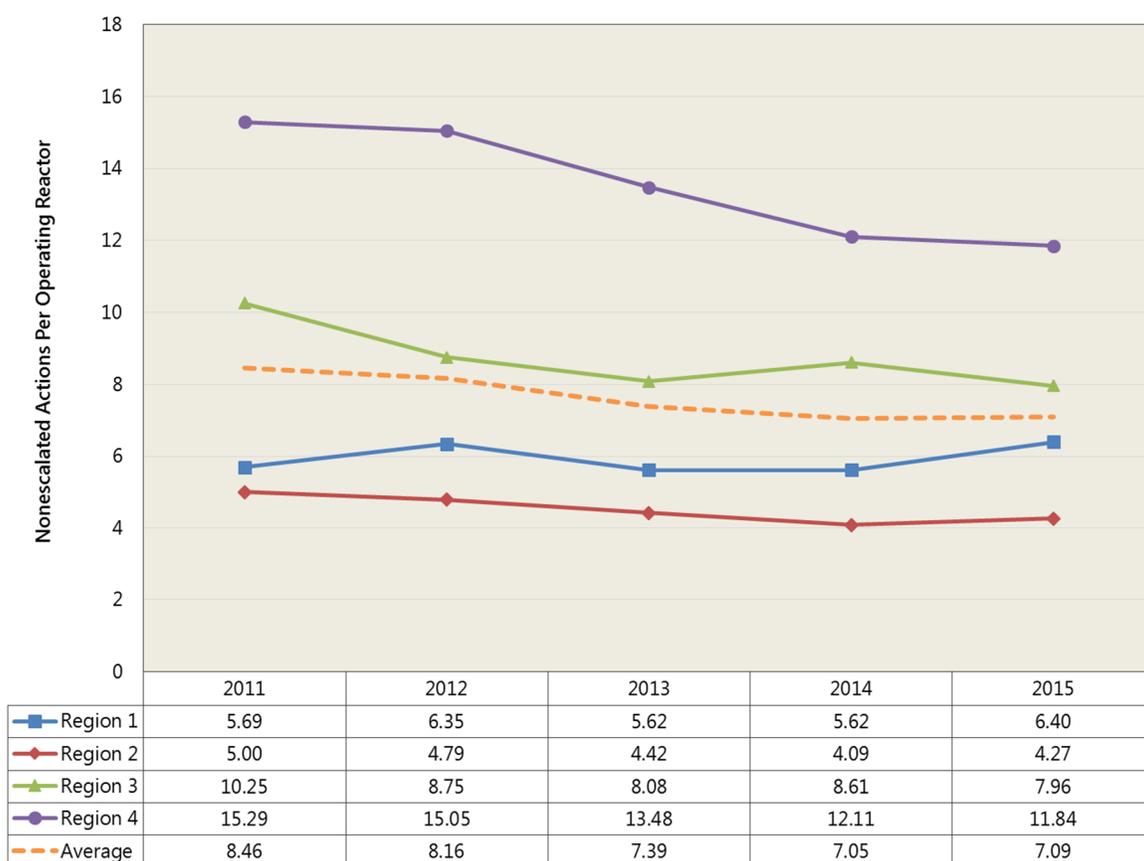


Figure 14 – Nonescalated Enforcement Trends by Region (CY 2011 to CY 2015)

Figure 14 provides the trend of nonescalated enforcement actions issued by the regional offices for the past 5 years. The information was obtained from RPS and was “normalized” to show the average number of nonescalated actions per operating reactor in each of the regions. As seen in Figure 14, there has been a general improvement in the consistency between the regional offices in the number of nonescalated enforcement actions issued since CY 2012. There, however, remains significant differences between the regions, with the number of nonescalated enforcement actions ranging between 4.3 and 11.8 actions per operating reactor. OE will continue to work with NRR to monitor these trends in CY 2016.

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II. Enforcement Case Work

A. Significant Enforcement Actions

In CY 2015, the agency was involved in several significant enforcement actions that required coordination among internal stakeholders beyond the typical enforcement case and that were noteworthy in some aspects.

Chicago Bridge and Iron Company

On April 20, 2015, the NRC issued an NOV and Proposed Imposition of CP in the amount of \$11,200 to the Chicago Bridge and Iron Company (CB&I). This action is based on an SL II problem involving deliberate misconduct on the part of CB&I officials and employees related to a dropped module incident that occurred at the company's Lake Charles, LA, fabrication facility on March 1, 2013. Specifically, the CB&I officials and employees attempted to cover up an incident involving the dropping of a submodule destined for the Virgil C. Summer Nuclear Station. Immediately following the incident, the former rigging manager deliberately instructed subordinate employees to omit key information from incident investigation statements, including: (a) that the submodule had, in fact, dropped approximately 3.5 feet, (b) improper rigging equipment (nylon slings) had been used and had broken, and (c) the submodule had sustained damage. The actions of the CB&I officials and employees also caused the company to be in violation of 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities"; Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants"; Criterion XVI, "Corrective Action," for failing to promptly identify and correct a condition adverse to quality.

Arkansas Nuclear One, Units 1 and 2

On January 22, 2015, the NRC issued an NOV associated with a yellow SDP finding to Entergy Operations, Inc. (Entergy). The finding was associated with the failure to design, construct, and maintain the flood barriers for the Arkansas Nuclear One, Unit 1 and 2, auxiliary building and emergency diesel fuel storage building to protect safety-related equipment from flooding. Entergy was cited for a violation of 10 CFR Part 50, Appendix B, Criterion III, "Design Control," and 10 CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings." Both violations included multiple examples for each violation.

Oyster Creek Nuclear Generating Station

On April 27, 2015, the NRC issued an NOV associated with a yellow SDP finding to the Exelon Generation Company, LLC (licensee) for a violation identified at its Oyster Creek Nuclear Generating Station. The violation involved the failure to comply with 10 CFR Part 50, Appendix B, Criterion III, which required the licensee to establish measures for the selection and review for suitability of application of materials, parts, equipment, and processes that are essential to the safety-related functions of the structures, systems, and components (SSCs). Specifically, from the original installation of electromatic relief valves (EMRVs) in 1969 until the valves were redesigned and reinstalled during the 2014 refueling outage, the EMRV actuators were inadequate because, when they were placed in an environment subject to the vibration associated with plant operation, the mechanical tolerance between posts and guides created a condition where the springs could wedge

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between the guides and the posts, jamming the actuator plunger assembly. In addition, given the original design of the valve, the maintenance refurbishing processes were not adequate to maintain the required internal tolerances to prevent excessive fretting and wear of the internal components. As a consequence, two of the five EMRVs were inoperable for more than 24 hours in violation of Technical Specification (TS) 3.4.B.

Columbia Generating Station

On September 28, 2015, the NRC issued a CO to Energy Northwest, to formalize commitments made as a result of an alternative dispute mediation session held on August 6, 2015. The commitments were made as part of a settlement agreement between Energy Northwest and the NRC regarding a violation that involved nuclear security officers at Columbia Generating Station being willfully inattentive while on duty, which resulted in the security officers not meeting the requirement to be available at all times inside the protected areas for their assigned response duties, contrary to 10 CFR 73.55(k)(5)(iii). In light of the significant corrective actions Energy Northwest had taken, and subject to the satisfactory completion of the additional actions it committed to take, as described in the CO, the NRC will not issue a NOV for the apparent violation. Those actions include, but are not limited to: (1) conducting a common cause evaluation, (2) revising its annual compliance and ethics computer-based training to address deliberate misconduct, (3) presenting at an industry forum to discuss the events that led to the CO, (4) conducting a targeted nuclear safety culture assessment, and (5) paying a CP of \$35,000.

B. Hearing Activities

On July 18, 2014, Mr. James Chaisson submitted a Request for Hearing in response to an order prohibiting his involvement in NRC-licensed activities that was issued on July 11, 2014. An Atomic Safety Licensing Board (ASLB) panel was established in August 2014 for appropriate action in accordance with 10 CFR 2.346(i). The ASLB issued a hearing notice and an initial scheduling order granting the hearing request. In that order, the ASLB also directed the staff and Mr. Chaisson to discuss the possibility of settling the case and to report to the Board regarding their efforts. A prehearing conference was held on December 17, 2014. Mr. Chaisson and the NRC staff eventually reached a preliminary agreement on April 14, 2015; however, the ASLB was, on several occasions, unable to convene a conference with the parties to discuss the agreement due to the unavailability of Mr. Chaisson. When a telephone conference was finally held on June 10, 2015, the Board discussed a number of items relating to the settlement agreement. As a result, the parties submitted a revised version of the settlement agreement for the Board's consideration on July 1, 2015. The proposed settlement agreement included a ban on Mr. Chaisson engaging in NRC-licensed activities as a radiographer and other positions until he completes certain requirements, including training; however, he is permitted to work as a radiographer's assistant in the interim. The agreement also specified limited work restrictions that required him to provide various notifications to the NRC, including each time he accepts employment with an NRC licensee. On July 2, 2015, the ASLB approved the settlement agreement.

C. Enforcement Orders

In CY 2015, the NRC issued seven orders to licensees, nonlicensees, and individuals. This number represented approximately a 56 percent decrease in the number of orders issued

when compared to 2014. The seven orders included four COs that were issued to confirm commitments associated with ADR settlement agreements. One of the ADR-related COs included a requirement to pay a CP as a result of the settlement agreement. A fifth CO was issued to an individual who had been the subject of previous enforcement action to place agreed-to restrictions on this person's duties as a radiation safety officer or assistant radiation safety officer. Two orders imposed CPs to materials user licensees.

As shown in Table 1, the number of orders the NRC issued in CY 2015 decreased from CY 2014, in part, because of a decrease in the number of orders to operating reactor licensees and individuals at reactor sites. Appendix C includes a brief description of the enforcement orders issued in 2015.

D. Enforcement Actions Supported by the Office of Investigations

In CY 2015, an OI investigation supported 29 percent of the escalated enforcement actions (23 of the 80) issued by the agency. This figure is essentially identical to the percentage supported by OI investigations in CY 2014. The escalated actions supported by OI investigations include the following:

- 9 of the 15 escalated NOVs and orders with CPs (60 percent)
- 11 of the 61 escalated NOVs without CPs (18 percent)
- 3 of the 4 enforcement orders without CPs (75 percent)

The 23 enforcement actions supported by OI investigations are consistent with the average number of enforcement actions supported by OI investigations over the previous 4 years (CY 2011 through CY 2014). The percentage of enforcement actions supported by an OI investigation over the past 5 year period (CY 2011 through CY 2015) is approximately 27 percent.

E. Actions Involving Individuals and Nonlicensee Organizations

In CY 2015, the agency issued 14 escalated enforcement actions to licensed and unlicensed individuals. This number is included in the total number of escalated enforcement actions (NOVs and orders) that the agency issued in 2015. Appendix C summarizes the orders that were issued to individuals and Appendix D summarizes the NOVs issued to individuals in CY 2015. These appendices do not include individual enforcement actions involving security related violations. The number of escalated actions issued to individuals in CY 2015 (13) is very consistent with the average number of actions issued between CY 2011 and CY 2015 (13.2 per year).

The agency issued one escalated enforcement action to a nonlicensee organization in CY 2015. Appendix E summarizes this action.

F. Enforcement Action Involving Discrimination

In CY 2015, there was one escalated enforcement action resulting from a substantiated allegation of discrimination. The allegation arose from an incident involving a former contractor employee who was terminated, in part, for notifying the licensee that the employee smelled alcohol on the employee's immediate supervisor's breath during duty hours. The case was handled through the ADR process, and licensee commitments are

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reflected in a CO that was issued in March 2015. Between CY 2011 and CY 2015, the NRC has handled, on average, one substantiated discrimination case each year; however it is not unprecedented to have a year where there was no escalated enforcement action taken because of discrimination.

G. Use of Judgment and Discretion in Determining Appropriate Enforcement Sanctions

The NRC may choose to exercise discretion and either escalate or mitigate enforcement sanctions or otherwise refrain from taking enforcement action within its statutory authority. The exercise of discretion allows the NRC to determine actions that are appropriate for a particular case, consistent with the Enforcement Policy. After considering the general tenets of the Policy and the safety and security significance of a violation and its surrounding circumstances, the NRC may exercise judgment and discretion in determining the severity levels of violations and the appropriate enforcement sanctions.

In CY 2015, the NRC exercised enforcement discretion in 39 cases to address violations of NRC requirements. This number reflects a 26 percent increase in the number of cases in which discretion was used from CY 2014 (31 cases) and a 50 percent increase from CY 2013 (26 cases). Although 2015 saw an increase in the number of cases where discretion was used when compared to 2014, this year could be viewed more accurately as part of a three-year decreasing trend caused, in large part, by a corresponding decrease in the use of discretion in accordance with EGM-09-004 to disposition violations of the naturally occurring and accelerator-produced radioactive materials (NARM) requirements. Below is a discussion of the significant cases dispositioned using enforcement discretion in CY 2015.

1. Discretion Involving Interim Enforcement Guidance

In 22 cases, the NRC used discretion in accordance with either the Interim Enforcement Policy related to fire protection and permanent implant brachytherapy issues (Sections 9.1 and 9.2 of the Policy) or an EGM.

- The NRC dispositioned six violations using discretion in accordance with EGM-11-004, "Interim Guidance for Dispositioning Violations of Security Requirements for Portable Gauges," dated April 28, 2011. Enforcement discretion in the form of a reduced severity level may be exercised for violations of 10 CFR 30.34(i) if certain criteria are met as described in EGM-11-004. Although the pilot program was completed, the provisions of this EGM will remain in effect until the Enforcement Policy is revised to incorporate the EGM.
- The agency dispositioned two violations using discretion in accordance with EGM-09-004, "Interim Guidance for Dispositioning Violations of Naturally Occurring and Accelerator-Produced Radioactive Materials (NARM) Requirements," dated May 13, 2009. Enforcement discretion may be exercised for violations of the NARM requirements if certain criteria are met as described in the EGM. The two cases that used this guidance represent a sharp decline over CY 2012 when the staff used this guidance to disposition 17 cases. Two cases used this guidance in CY 2014, and five cases used this guidance in CY 2013.

- The NRC continued to perform fire protection inspections at power reactor sites to verify compliance with the requirements of 10 CFR Part 50, Appendix R, “Fire Protection Program for Nuclear Power Facilities Operating Prior to January 1, 1979.” Violations of these requirements that were identified at sites transitioning to the National Fire Protection Association Standard 805 (NFPA 805) and that met the criteria as stated in the Interim Enforcement Policy, “Enforcement Discretion for Certain Fire Protection Issues (10 CFR 50.48)” warranted enforcement discretion and NOVs were not issued. Two documented cases involved this type of discretion.
- In April 2013, the staff issued EGM-13-003, “Interim Guidance for Dispositioning Violations Involving 10 CFR 35.60 and 10 CFR 35.63 for the Calibration of Instrumentation to Measure the Activity of Rubidium-82 and the Determination of Rubidium-82 Patient Dosages.” The agency dispositioned three cases that met the criteria under this guidance.
- The NRC dispositioned nine violations using discretion in accordance with EGM-11-003, “Dispositioning Boiling Water Reactor Licensee Non-Compliance with Technical Specification Containment Requirements during Operations with a Potential for Draining the Reactor Vessel,” dated October 4, 2011. Enforcement discretion may be exercised for violations of certain TS requirements at boiling water reactors under EGM-11-003.
- In July 2013, the Commission issued an Interim Enforcement Policy, Section 9.2, “Enforcement Discretion for Permanent Implant Brachytherapy Medical Event Reporting (10 CFR 35.3045).” This section set forth criteria for using enforcement discretion in certain medical event reporting scenarios. There were no documented cases involving this type of discretion in 2015.

2. Discretion Involving No SDP Performance Deficiency

Section 2.2.4.d of the Enforcement Policy states that violations of NRC requirements normally falling within the ROP SDP process for operating power reactors for which there are no associated SDP performance deficiencies (e.g., a violation of TS, which is not a performance deficiency) are normally dispositioned using discretion, similar to that described in Section 3.2 of this Policy. In 2015, eight cases involved the use of discretion in accordance with Section 2.2.4.d of the Policy. Three of the cases involved TS violations relating to reactor coolant pressure boundary leakage requirements, three additional cases involved TS violations attributable to equipment failures that were not considered avoidable, and one case involved an operating reactor licensee’s protective actions recommendation strategy for its emergency response plan. The eighth case was associated with an access authorization control violation that was not a performance deficiency.

3. Discretion Involving Violations Identified Because of Previous Enforcement Actions

The staff may exercise enforcement discretion, in accordance with Section 3.3 of the Enforcement Policy, if the violation was identified by the licensee as part of the corrective action for a previous enforcement action and the violation has the same or

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similar root cause as the violation for which enforcement action was previously taken. In CY 2015, three violations were dispositioned consistent with the guidance of Section 3.3 of the Policy. Two of the three cases involved violations of NRC regulations identified by licensees following extent of condition reviews, and related to violations of facility change requirements under 10 CFR 50.59, "Changes, Tests and Experiments," and changes to emergency plans in accordance with 10 CFR 50.54(q). The third case was associated with wrongdoing at the CB&I. On September 25, 2014, the NRC issued a CO to enhance actions that CB&I had previously agreed to take to further address issues relating to willful violations of NRC requirements and deliberate misconduct. The staff exercised enforcement discretion to not pursue escalated enforcement because the staff concluded that the root causes for the apparent violations were similar to the root causes of the violations that led to the issuance of the CO and because of the comprehensive corrective actions being taken by CB&I.

4. Discretion Involving Special Circumstances

Seven cases involved use of discretion to disposition violations in accordance with Section 3.5, "Special Circumstances," of the Enforcement Policy. Below is a brief discussion of the cases dispositioned in CY 2015.

- The NRC refrained from proposing a CP in a case involving an SL III violation of 10 CFR 50.59, "Changes, Tests and Experiments," after it was discovered that the licensee had removed a severe electrical power outage detection protection system without completing a 10 CFR 50.59 evaluation and without submitting the proposed change to the NRC for review and approval. The staff considered the licensee's corrective actions to date, the technical complexities of resolving this issue and the absence of previous escalated enforcement actions, and concluded that special circumstances were warranted to grant discretion to not propose a CP of \$70,000 for the SL III violation. (EA-14-126)
- The NRC exercised discretion to refrain from issuing an NOV to a radioactive materials licensee for an SL III violation of 10 CFR 40.46, "Inalienability of Licenses," for failing to obtain written NRC approval before an indirect transfer of control as a result of the merger of two companies. The merger occurred in 2007, and the licensee did not understand that this action constituted an indirect transfer of control under 10 CFR 40.46. At that time, there was also apparently some confusion in communications between the licensee and the NRC regarding the approval of the transfer. Therefore, in light of the fact that the licensee took actions necessary to terminate its site license and transfer control of the site to the U.S. Department of Energy, the NRC exercised discretion to not issue a NOV in accordance with Section 3.5 of the Policy. (EA-15-094)
- The NRC exercised discretion to refrain from issuing an NOV to a Federal Government (military) materials licensee for an SL IV violation of 10 CFR 30.36(d)(4) for the failure to notify the NRC within 60 days when no principal activities occurred in a separate building in 24 months. The NRC considered that the licensee's license renewal application described the need to store devices for normal and emergency operations, and for the management and performance of material life cycle functions and services. In addition, the license included ambiguous information that did not fully capture the intended storage and life

cycle management as a principal activity. Therefore, the NRC refrained from issuing an NOV, in part, due to inadequate or unclear licensing documentation. (EA-15-169)

- The NRC refrained from proposing a CP in a case involving an SL III violation of 10 CFR 30.34(i) for the failure of a licensee to use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal when the gauges were not under the control and constant surveillance of the licensee. Specifically, the violation that was identified at the storage facility should have been considered a second example of a similar violation cited in a February 2015 NOV and, if included in the 2015 NOV, no CP would have been proposed. Based on these circumstances, including the scope and timeframe of the previous inspection, and the prompt and comprehensive corrective actions taken by the licensee, the NRC exercised discretion to not propose a CP. (EA-15-141)
- The NRC exercised discretion to refrain from issuing an NOV to an operating reactor licensee for an SL III violation of 10 CFR Part 50, Appendix A, Criterion 17, "Electric Power Systems," requirements. Specifically, the licensee failed to properly construct and install the 138 kV switchyard grounding system and the supporting infrastructure of the switchyard to provide an offsite power source that permitted the functioning of SSCs important to safety. The NRC determined that the violation resulted from matters not reasonably within the licensee's control; and that the failure to meet the requirements could not be readily identified and addressed. (EA-15-005)
- The NRC exercised discretion to refrain from issuing an NOV to a Federal Government (military) master materials licensee (MML) for an SL IV violation of 10 CFR 30.9, "Completeness and Accuracy of Information," and 10 CFR 35.24, "Authority and Responsibilities for the Radiation Protection Program." The NRC exercised discretion to not issue a notice of violation in recognition of the enforcement action taken under the licensee's MML. (EA-15-142)
- The NRC exercised discretion to refrain from issuing an NOV to an operating reactor licensee for a violation of 10 CFR 50.59. The violation was associated with the use of complex programmable logic device based solid state protection system cards, and was identified during the discretion period outlined in EGM 14-002. Because the circumstances of this case met the criteria for granting enforcement discretion, the NRC exercised discretion in accordance with Section 3.5. (EA-15-209)

5. Notices of Enforcement Discretion

Occasionally, circumstances might arise where a power reactor licensee's compliance with a TS or other license condition would require a plant transient or performance testing, inspection, or other system realignment that is of greater risk than the current specific plant conditions. In these circumstances, the NRC staff may choose not to enforce the applicable requirements. The staff exercises this enforcement discretion, designated as a notice of enforcement discretion (NOED) in accordance with Section 3.8 of the Enforcement Policy, only if it is clearly satisfied that the action is consistent with protecting the public health and safety. The staff may also issue NOEDs in cases involving severe weather or other natural phenomena when it determines that exercising this discretion will not compromise safety. NOEDs require justification from a licensee or certificate holder that documents the safety basis for the request and provides other information the staff deems necessary to issue an NOED. In contrast to the ten NOEDs issued in CY 2014, the NRC issued only two NOEDs during CY 2015, briefly discussed below:

- NOED 15-4-01: The NRC verbally granted enforcement discretion on May 29, 2015, to the Arizona Public Service Company (APS) to not enforce compliance with the actions required in Palo Verde Nuclear Generating Station, Unit 3, TS 3.5.3, "Emergency Core Cooling Systems (ECCS)—Operating," Required Action B.1. When one ECCS train is inoperable, limiting condition for operation (LCO) Required Action B.1 directs the licensee either to restore the affected train to operable status within 72 hours or else place Unit 3 in operational mode 3 (hot standby) within the next 6 hours. On May 27, 2015, APS removed the Unit 3 high-pressure safety injection (HPSI) pump "A" from service for routine preventative maintenance and declared the pump inoperable. A routine oil sample taken from the HPSI motor outboard bearing appeared dark in color, and analysis revealed the presence of metal particles indicative of bearing babbitt material. APS made three attempts to flush debris from the bearing, but subsequent sampling reconfirmed the presence of babbitt material after each flush. Based on these results, Palo Verde maintenance personnel disassembled the pump outboard motor bearing. Inspections and measurements revealed an improper axial adjustment of the motor coupling, which caused the motor shaft to be displaced toward the outboard motor bearing. APS determined that it would not be able to replace the bearing, reassemble the pump, and complete postmaintenance testing within the 72 hours allowed by the TS LCO. Based on its review, the NRC exercised discretion to not enforce compliance with the completion times associated with the TS Required Actions for a period of 24 hours beyond the 72-hour TS LCO affected by the repair, until May 31, 2015.
- NOED 15-4-02: The NRC verbally granted enforcement discretion to Luminant Generation Company LLC on July 10, 2015, to not enforce compliance with the actions required in Comanche Peak Nuclear Power Plant (CPNPP), Units 1 and 2, TS 3.5.2, "ECCS—Operating," Condition B, Required Action B.1. On July 7, 2015, the licensee discovered a potential through-wall leak from a pipe segment in the Unit 2, train B safety injection pump room during routine system walkdowns. CPNPP personnel noted approximately 1 to 2 cups of boric acid had accumulated on the floor underneath a test connection valve. The source of the leakage was determined to be from a socket weld connection. On July 7, 2015,

the shift manager declared Unit 2, train "B," ECCS, inoperable and entered TS 3.5.2, Condition B. Required Action B.1 of TS 3.5.2 required restoration of the train(s) to an operable status within 72 hours. Further, TS 3.5.2 required that, if Required Action B.1 could not be met within 72 hours, Unit 2 would be required to be in Mode 3 in 6 hours and Mode 4 in 12 hours. Luminant requested that an NOED be granted for an additional 25 hours to complete repairs to the leaking socket weld. Based on its review of information provided by the licensee, including compensatory measures taken, the NRC exercised discretion to not enforce compliance with TS 3.5.2, Condition B, Required Action B.1, for an additional period of 25 hours, which expired on July 11, 2015.

H. Withdrawn Actions

Licensees can challenge enforcement actions for several reasons; for example, a licensee might dispute the requirements, the facts of the case, the agency's application of the Enforcement Policy, or the significance of the violation. Licensees may provide clarifying information that was not available at the time of the inspection, and this may affect a finding of noncompliance.

In addition, OE has established a metric for quality of enforcement actions based on the number of disputed and withdrawn nonescalated enforcement actions. The goal is fewer than four withdrawn nonescalated enforcement actions in a calendar year per region. This metric does not include violations that are withdrawn on the basis of supplemental information that was not available to an inspector before the assessment of an enforcement sanction. In CY 2015, the agency issued approximately 850 nonescalated enforcement actions to reactor, materials, fuel facility and new reactor licensees. This number is generally consistent with the decreasing trend in the number of nonescalated enforcement actions issued annually in the past 3 years. Of these actions, eight nonescalated enforcement actions were disputed. This number is consistent with the average number of actions that have been disputed between CYs 2011 and 2015. In CY 2015, the NRC withdrew only two nonescalated actions. In both cases, the actions were withdrawn by the NRC after it had received additional information that was not available to the staff before issuance of the original action. The two actions are also on par with the number of actions withdrawn each year between CY 2011 and 2015. As a result, the goal for disputed violations was met in CY 2015 indicating that NOVs and other nonescalated enforcement actions were prepared properly and accurately.

In CY 2015, the agency issued 80 escalated enforcement actions and none of these cases were formally disputed.

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III. Ongoing Activities

A. Enforcement Policy

1. Enforcement Policy Revisions

The NRC Enforcement Policy (Policy) is periodically revised to reflect regulatory changes, operating experience, and stakeholder input. On October 9, 2014, the NRC published a proposed revision to the Policy for a 45 day comment period in the Federal Register (79 FR 61104). On October 15, 2014, the Nuclear Energy Institute (NEI) submitted a request (Agencywide Documents Access and Management System (ADAMS) Accession No. ML14297A314) to extend the comment period for an additional 30 days. After taking this request under consideration, the staff extended the due date for public comments to December 22, 2014; however, NEI was the only stakeholder to submit comments (ADAMS Accession No. ML14364A020). The staff's review and response to the public comments continued into CY 2015. On December 13, 2015, the Executive Director for Operations issued a Notation Vote Commission Paper (SECY-15-0163) requesting approval of the proposed revisions and permission to publish the document in the *Federal Register*. The Commission's review is ongoing.

More substantive proposed revisions to the Policy include:

- a rewrite of Section 6.13, "Information Security," to incorporate a more risk-informed approach for assessing the significance of information security violations
- the implementation of the cROP
- miscellaneous modifications to: (1) Section 7.0, "Glossary," (2) Section 6.0, "Violation Examples," and (3) Section 2.3.4, "Civil Penalty"

2. Enforcement Guidance Memoranda

OE issues EGMs to provide guidance on the interpretation of specific provisions of the Enforcement Policy. Links to the full text of all publicly available EGMs are available on the NRC's public Web site, and are contained in Appendix A to the Enforcement Manual. The office issued four EGMs during CY 2015, summarized below.

- On January 15, 2015, the staff issued EGM-14-003, "Enforcement Discretion Not to Cite Violations Involving Bolt and Stud Non-Destructive Examination Qualification Programs, While Rulemaking Changes Are Being Developed." The purpose of this EGM is to provide guidance for granting enforcement discretion for the use of bolt and stud nondestructive examination procedures, personnel and equipment qualified through the Performance Demonstration Initiative to meet the requirements of Supplement 8 to Appendix VIII to Section XI of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code.

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- On June 2, 2015, the staff issued Revision 1 to EGM 15-001, “Documentation of Security-Related Information in Publicly Available Cover Letters Related to Enforcement Documents.” This EGM provides guidance with respect to the generation of publicly-available cover letters related to enforcement documents that contain security-related information (i.e. physical security, information security, and material control and accounting) for all NRC licensed facilities (e.g., power reactors, fuel facilities, and material licensees). The purpose of a publicly available cover letter is to transmit the overall inspection results or enforcement-related actions in which the specific security-related details are not available to the public. The guidance balances the need to withhold certain information from public disclosure while at the same time carrying out the NRC’s Enforcement Policy for security related noncompliances in an open and transparent manner. Revision 1 superseded EGM 15-001 that was issued on April 2, 2015.
- On June 10, 2015, the staff issued EGM 15-002, “Enforcement Discretion for Tornado-Generated Missile Protection Noncompliance.” This EGM provides guidance for granting enforcement discretion in certain circumstances where an operating power reactor licensee does not comply with a plant’s current site-specific licensing basis for tornado-generated missile protection. Recently, licensees and the NRC have identified several facilities that have not conformed to their licensing basis for tornado-generated missile protection and are therefore not in compliance with applicable regulations. This EGM allows the staff to exercise discretion when a licensee implements compensatory measures that provide additional protection such that the likelihood of tornado missile effects is lessened.
- On October 23, 2015, the staff issued EGM 15-003, “Enforcement Discretion Not to Cite Certain Violations of Section V of Appendix E to 10 CFR Part 50 for Non-Submittal of Emergency Plan and Emergency Plan Implementing Procedure Changes by Operating Reactor Licensees, While Rulemaking Changes Are Being Developed.” This EGM provides guidance with respect to granting enforcement discretion for not submitting emergency plan and emergency plan implementing procedure (EPIP) updates solely in accordance with Section V of Appendix E, “Emergency Planning and Preparedness for Production and Utilization Facilities,” to 10 CFR Part 50. Section V submittals impose a significant administrative burden on the licensees and the NRC staff that is no longer necessary or practical. Subsequently, the NRC staff eliminated this collection requirement through rulemaking on December 1, 2015 (80 FR 74980).

B. Knowledge Management and Improvement Initiatives

In CY 2015, OE engaged in several knowledge-management and continuous improvement activities. Some of the ongoing activities being conducted to maintain an adequate knowledge base include supporting training, completing reviews and self-assessments, developing internal office procedures, mentoring new staff members with more experienced staff, and conducting counterpart meetings.

Enforcement Counterpart Meeting

The regional and headquarters enforcement staff held a counterpart meeting on September 22 – 24, 2015, to discuss ways to improve the enforcement process and enhance communications among staff. Topics included: (1) proposed Enforcement Policy changes, (2) regional coordination with the Office of General Counsel (OGC) and OE on investigations, (3) lessons learned on recent significant enforcement actions, (4) revised Enforcement Manual guidance, and (5) ways to improve consistency within the Enforcement Program between the regions and program offices. The meeting resulted in a number of action items to improve the Enforcement Program.

Reviews and Assessments

In CY 2015, OE completed one regional enforcement assessment. In May 2015, a team of enforcement specialists from OE and Region I, as well as a senior resident inspector from Region IV completed an assessment of Region III's Enforcement Program. The primary focus of the review was to ensure that the Enforcement Program is being consistently implemented in the region. The assessments also provided the opportunity to share "best practices" between the regions and to enhance knowledge management for the enforcement process. The assessments involved the review of nonescalated enforcement actions and processes, which do not normally involve headquarters. The team concluded that Region III maintains a strong enforcement program, and effectively implements the Enforcement Policy, Enforcement Manual and processes, largely because of the effective collaboration among inspectors and Enforcement and Investigation Coordination Staff. The success of the Region III Enforcement Program was further attributed to the continued support provided by the region's management team.

A review of the assessment program will be conducted in CY 2016 and program modifications, if necessary, will be incorporated during future assessments.

Continuous Improvement Initiatives

The Enforcement Manual was revised five times during the year to provide additional guidance to the staff. The most recent revision was completed on December 10, 2015, which included expansion of the use of modified panels. The NRC incorporated several recommended changes from the Enforcement Manual feedback process were incorporated this year reducing the backlog of items by approximately 75 percent.

OE continues to improve the internal procedures used to execute various aspects of the Enforcement Program. During CY 2015, internal procedures associated with assigning enforcement specialists and OGC attorneys to cases involving OI investigations were revised to improve the staff's effectiveness and efficiency. The process improvements included a new OI report tracking system that allows better communications on assigned cases among OE, OGC and the regions.

Training

OE enhanced staff knowledge of the Enforcement Program, particularly associated with wrongdoing, in all regional and headquarters offices by conducting joint OE and OGC's Materials Litigation and Enforcement Division management presentations in each region and during multiple presentations at headquarters. The training focused on the various

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elements of willfulness associated with potential wrongdoing cases as well as the documentation of 10 CFR Part 50, Appendix B, violations in nonescalated enforcement actions. Staff members shared “best practices” at these training sessions. OE will continue to evaluate additional training needs and opportunities.

C. Regional Accomplishments

In CY 2015, Region I and Region II conducted periodic self-assessments of the enforcement program to ensure effective performance and to identify opportunities for continuous improvement. The self-assessments encompassed both the reactor and materials arenas; considered performance associated with the development and issuance of both nonescalated and escalated enforcement actions; and included activities that required a high degree of coordination with other NRC stakeholders.

Overall, the self-assessments showed that the regions were effectively implementing the Enforcement Program. Recommendations were made for any weaknesses identified.

In addition to assessments, the enforcement staff (1) trained regional technical staff, in part, on the revised Enforcement Policy, recent EGMs, and proper enforcement documentation requirements for inspectors and (2) participated on inspector qualification review boards as necessary.

D. Calendar Year 2016 Focus Areas

During CY 2016, OE plans to address several activity areas that include: (1) a proposed revision to the Enforcement Policy, (2) the development of interim enforcement policies and implementation guidance, (3) continuing to support agency efforts to understand regional differences with respect to enforcement (particularly in the area of nonescalated enforcement), (4) improvement in average escalated case timeliness, both for OI and non-OI based cases, and (5) continued development of enforcement staff expertise.

- A proposed revision to the Enforcement Policy is being considered, which could include: clarification of whether SDP findings from the ROP should be included in licensee performance history when a traditional enforcement action is being processed for a potential CP; revision to different areas of violation examples to clarify and reflect staff experience in specific areas; incorporation of an expanded scope for the ADR program; revisions associated with the implementation of cROP; and risk-informing information security violations.
- Several interim enforcement policies and enforcement guidance memoranda will be considered in CY 2016.
- Action items identified during the 2015 Enforcement Counterpart Meeting will be addressed during CY 2016.
- OE will continue to support the agency effort to modify procedures and conduct training to enhance the predictability of screening very low safety significance findings.
- An increasing focus will be placed on case timeliness during CY 2016, particularly those involving complex technical or regulatory issues that may challenge timeliness

metrics. Increasing management attention will focus on more timely decision making, particularly in such complex cases

- Continued development of enforcement staff across the agency will be attained through training and enhanced internal procedures.

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Table 3 – Escalated Enforcement Actions by Region and Program Office

	NOVs w/o CPs	Orders w/o CPs	NOVs and Orders w/ CPs	Total
REGION I	19	1	1	21
REGION II	9	1	1	11
REGION III	19	2	4	25
REGION IV	11	0	2	13
NMSS	1	0	4	5
NRR	1	0	1	2
NRO	1	0	1	2
NSIR	0	0	0	0
OE	0	0	0	0
OIP	0	0	1	1
Total	61	4	15	80

Key to Offices

- NMSS – Office of Nuclear Material Safety and Safeguards
- NRR – Office of Nuclear Reactor Regulation
- NRO – Office of New Reactors
- NSIR – Office of Nuclear Security and Incident Response
- OE – Office of Enforcement
- OIP – Office of International Programs

**Table 4 – Escalated Enforcement Actions by Type of Licensee,
Nonlicensee, or Individual**

	NOVs w/o CPs	Orders w/o CPs	NOVs and Orders w/ CPs	Total
Operating Reactor	23	2	2	27
Gauge	8	0	2	10
Individual Actor - Reactors	8	0	0	8
Materials Distributor	2	0	5	7
Fuel Facility	4	1	0	5
Hospital	5	0	0	5
Radiographer	4	0	0	4
Other	1	0	1	2
Licensed Operator	2	0	0	2
Nonoperating Reactor	1	0	1	2
Import / Export	0	0	1	1
Individual Actor - Materials	0	1	0	1
Academic	1	0	0	1
Physician (M)	0	0	1	1
Vendor - New Reactors	0	0	1	1
Research Reactor	0	0	1	1
New Construction - Reactor	1	0	0	1
Individual Actor - Vendor	1	0	0	1
Total	61	4	15	80

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Table 5 – Escalated Enforcement Action Trends by Type of Licensee

	2011	2012	2013	2014	2015	Total
Operating Reactor	28	40	30	29	27	154
Gauge	16	11	5	17	10	59
Radiographer	18	12	5	6	4	45
Hospital	12	11	8	4	5	40
Fuel Facility	7	4	3	0	5	19
Individual Actor - Materials	3	8	2	5	1	19
Materials Distributor	3	5	2	1	7	18
Licensed Operator	3	7	2	4	2	18
Individual Actor - Reactors	0	3	1	5	8	17
Physician (M)	2	0	3	4	1	10
Irradiator	6	1	2	1	0	10
Academic	1	0	4	3	1	9
Vendor - New Reactors	0	0	3	1	1	5
Nonoperating Reactor	0	0	0	1	2	3
Research Reactor	0	0	2	0	1	3
New Construction - Reactor	0	1	1	0	1	3
Import / Export	0	1	0	0	1	2
Well Logger	1	0	1	0	0	2
Decommissioned Reactor/Site	0	1	0	1	0	2
Individual Actor - Vendor	0	0	0	0	1	1
Individual Actor - Fuel Facility	1	0	0	0	0	1
Vendor - Operating Reactors	0	1	0	0	0	1
Waste Disposal	0	0	1	0	0	1
Unknown	1	0	0	0	0	1
Other	6	8	1	3	2	20
Total	108	114	76	85	80	463

Appendix A – Summary of Cases Involving Civil Penalties*

Civil Penalties Issued to Operating Reactor Licensees

Tennessee Valley Authority
Sequoyah Nuclear Plant

EA-14-003

On March 9, 2015, the U.S. Nuclear Regulatory Commission (NRC) issued a Notice of Violation and Proposed Imposition of Civil Penalty (NOV/CP) in the amount of \$70,000 to Tennessee Valley Authority (TVA) for a Severity Level (SL) III problem involving two violations. The first violation involved the failure to conduct compensatory fire watches as required by TVA corporate procedures and Title 10 of the *Code of Federal Regulations* (10 CFR) 50.48, "Fire Protection." Specifically, on multiple occasions during October and November 2012, hourly fire watches required as compensatory measures for fire protection equipment that was out of service in the emergency diesel generator building were not performed. In addition, the designated fire watch foremen willfully failed to have proper oversight of fire watch activities. The second violation involved the failure to maintain complete and accurate records as required by 10 CFR 50.9(a). Specifically, on multiple occasions during the same time frame, fire watch patrol records were falsified when individuals initialed that fire watches were completed when in fact, these fire watches had not been performed.

Texas A&M University Nuclear Science Center
College Station, Texas

EA-14-230

On October 22, 2015, the NRC issued an SL III NOV/CP in the amount of \$3,500 to Texas A&M University, Engineering Experiment Station, Nuclear Science Center (NSC), for two violations of NRC requirements, collectively characterized as an SL III problem. The first violation involved the Texas A&M NSC staff's failure to maintain complete and accurate records in all material respects. Specifically, on or after May 15, 2013, the reactor operations manager falsified the May 14, 2013, reactor operations log shutdown checklist required by Technical Specification (TS) 6.3 when he certified that the shutdown procedures were performed when in fact they had not been performed. The shutdown checklist is a safety record that the licensee is required to maintain for inspection by the NRC staff and the completeness and accuracy of this safety information is material to the NRC inspection process. The second violation involved the failure of Texas A&M NSC to maintain the minimum facility staffing required by TS 6.1.3, "Staffing," when the reactor was not secured as defined by TSs 1.23 and 1.26. TS 6.1.3 requires at least two individuals, a senior reactor operator and either a licensed reactor operator or operator trainee, to be on duty when the reactor is not secured. Specifically, on the evening of May 14, 2013, the senior reactor operator and reactor operator left the facility complex unattended. The reactor was not secured on the night of May 14-15, 2013, in that the reactor contained sufficient fissile material to attain criticality under optimum conditions, and the reactor console was not secured, because not all scrammable rods were fully inserted and verified down.

* Please note that cases involving security-related issues are not included

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Civil Penalties Issued to Materials Licensees

Patriot Engineering and Environmental
Indianapolis, Indiana

EA-14-162

On February 4, 2015, the NRC issued a NOV/CP in the amount of \$3,500 to Patriot Engineering and Environmental for an SL III violation. Specifically, on September 4, 2014, the licensee failed to maintain control and constant surveillance or use a minimum of two independent physical controls to secure a portable gauge from unauthorized removal as required by 10 CFR 20.1802, "Control of Material Not in Storage," and 10 CFR 30.34(j). An authorized user failed to maintain control and constant surveillance over a gauge containing licensed material and that gauge was driven over by construction equipment.

ATC Group Services, Inc.
Indianapolis, Indiana

EA-13-251

On March 27, 2015, the NRC issued an Order Imposing a CP to ATC Group Services, Inc. Following the NRC's November 19, 2014, NOV/CP in the amount of \$3,500, the licensee requested that the violation be deemed an SL IV violation. The NOV was issued for the failure to control and maintain constant surveillance of licensed material that was in an unrestricted area and that was not in storage. Specifically, a company employee left the gauge locked in the back of an open-bed truck in a store parking lot in Indianapolis, IN, with the truck door unlocked and the keys in the ignition. After carefully considering the information provided by the licensee in its written response, the NRC concluded that an adequate basis did not exist for either a reduction of the severity level or mitigation of the civil penalty and imposed the \$3,500 CP by order.

MISTRAS Group, Inc.
Burr Ridge, Illinois

EA-14-225

On June 30, 2015, the NRC issued a NOV/CP in the amount of \$7,000 to MISTRAS Group, Inc. (Mistras), for an SL III problem for two related violations. The violations involved a failure to obtain an export license as required by 10 CFR 110.5, "Licensing Requirements," and a failure to submit an advance notification of shipment to the NRC and the Canadian Government as required by 10 CFR 110.50(c). Specifically on or about July 24, 2014, Mistras exported two iridium-192 sealed sources to Canada, without obtaining a required specific export license and did not provide the required export notifications to the NRC and the Canadian government in advance of the export of sources to Canada.

Bradley D. Bastow, D.O.
South Haven, Michigan

EA-14-116

On August 4, 2015, the NRC issued an Order Imposing a CP in the amount of \$7,000 to a medical licensee, Bradley D. Bastow, D.O. (licensee). On November 6, 2014, the NRC issued an NOV/CP in the amount of \$7,000 to the licensee for an SL III problem involving failure to meet the terms of a Confirmatory Order (CO) issued on September 3, 2013, as part of an alternative dispute resolution settlement agreement to resolve issues discovered during an inspection and an investigation conducted by the NRC Office of Investigations. In April 2014, the NRC performed a followup inspection and determined that the licensee either did not meet the terms of the CO or did not meet them in the time specified by the order. Of particular concern was the failure to restore compliance to one of the initial violations that

formed the basis of the CO (i.e., providing a calibrated and operable well counter or submitting a license amendment request for alternate instrumentation). Not having this instrumentation has a direct health and safety impact on the licensee's staff and patients in that, without the instrumentation, the licensee staff are not able to provide accurate contamination readings.

CampCo, Inc.
Los Angeles, California

EA-14-080

On December 10, 2015, the NRC issued an NOV/CP in the amount of \$28,000 to CampCo, Inc. for four SL III violations, including the following: (1) willful failures to implement requirements in 10 CFR 30.3, "Activities Requiring License," with 10 CFR 30.15, "Certain Items Containing Byproduct Material"(requirements for a license to distribute the byproduct material), (2) willful failures to implement requirements in 10 CFR Part 32.16, "Certain Items Containing Byproduct Material: Records and Reports of Transfer" (requirements to file annual reports with the NRC), (3) failure to comply with 10 CFR 32.16 (a) and (b) (information required for filing), and (4) failure to comply with an existing license requirement to provide certificates demonstrating that the devices are manufactured according to established standards and with no more than authorized quantities of byproduct material. Specifically, the violations occurred as follows: (1) between 2005 and March 2013, CampCo, Inc. initially transferred, for sale or distribution, timepieces containing tritium (hydrogen-3) sealed sources to persons exempt from regulations and did so without first obtaining a license or amendment to its existing license, (2) CampCo failed to file annual reports detailing transfers of byproduct material made in 2010, 2011, 2012, 2013, and 2014, (3) CampCo failed to include all the required information in its annual reports that were filed at the request of the NRC for transfers during the years identified in Item 2 above, and (4) CampCo failed to ensure that each lot of timepieces it received containing tritium were accompanied by the required certificate for Equipe and Reactor watches between 2011 and 2013 and for additional watches before that time period.

Civil Penalties Issued to Fuel Cycle Facility Licensees

None

Civil Penalties Issued to New Reactor Licensees

None

Civil Penalties Issued to Decommissioning and Low Level Waste Licensees

None

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Appendix B – Summary of Escalated Notices of Violation without Civil Penalties*

Notices of Violation Issued to Operating Reactor Licensees

Entergy Operations, Inc. EA-14-088
Arkansas Nuclear One, Unit 1 and 2

On January 22, 2015, the U.S. Nuclear Regulatory Commission (NRC) issued a Notice of Violation (NOV) associated with a yellow significance determination process (SDP) finding to Entergy Operations, Inc. (Entergy). The finding was associated with the failure to design, construct, and maintain the flood barriers for the Arkansas Nuclear One, Unit 1 and 2 auxiliary building and emergency diesel fuel storage building to protect safety-related equipment from flooding. Entergy was cited for a violation of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, "Domestic Licensing of Production and Utilization Facilities," Appendix B, "Quality Assurance Criteria for Nuclear power Plants and Fuel Reprocessing Plants," Criterion III, "Design Control," and 10 CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings." Each violation included multiple examples.

Dominion Nuclear Connecticut, Inc. EA-14-126
Millstone Power Station Units 2 and 3

On February 10, 2015, the NRC issued an NOV to Dominion Nuclear Connecticut, Inc. for a Severity Level (SL) III violation of 10 CFR 50.59, "Changes, Tests, and Experiments," involving the failure to obtain a license amendment pursuant to 10 CFR 50.90, "Application for Amendment of License, Construction Permit, or Early Site Permit," before implementing a change that resulted in more than a minimal increase in the likelihood of occurrence of a malfunction of a structure, system, or component important to safety previously evaluated in the updated final safety analysis report (UFSAR). Specifically, Dominion allowed a design change to the offsite power system (removal of the severe line outage detection system, a system described in the UFSAR), and failed to conduct a written evaluation or provide a basis for the determination that the change did not require a license amendment in accordance with 10 CFR 50.59(c)(2).

Pacific Gas and Electric Company EA-14-010
Diablo Canyon Power Plant

On February 11, 2015, the NRC issued an NOV to Pacific Gas and Electric Company for an SL III violation of 10 CFR 50.54(q) involving the failure to apply and receive approval from the Commission for a proposed change that decreased the effectiveness of the approved emergency plan (EP). In addition, a white SDP finding was issued. This white finding, an issue with low-to-moderate significance to safety, will require additional NRC inspections. The finding involves a change to the EP, which decreased its effectiveness. Specifically, on November 4, 2005, without approval from the NRC, the licensee removed instructions in its EP implementing procedures for making protective action recommendations for members of

* Please note that cases involving security-related issues are not included

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the public who are located on the ocean within the 10-mile emergency planning zone, thus decreasing the plan's effectiveness.

Entergy Operations, Inc.
Palisades Nuclear Plant

EA-14-168

On February 23, 2015, the NRC issued an NOV associated with a white SDP finding to Entergy Operations, Inc., for two violations involving the failure to comply with the requirements of 10 CFR 20.1201(c) and Technical Specification (TS) 5.4.1.a, during control rod drive housing replacement activities between February 6 and March 8, 2014, at the Palisades Nuclear Plant. Specifically, the licensee failed to (1) properly use the deep-dose equivalent, and (2) determine the effective dose equivalent using a dosimetry method approved by the NRC, as required by 10 CFR 20.1201(c). In addition, the licensee failed to establish a procedure for personnel monitoring covering all practical worker positions and shielding geometries, as required by TS 5.4.1.a.

Exelon Generation Company, LLC
R. E. Ginna Nuclear Power Plant

EA-14-235

On February 24, 2015, the NRC issued an NOV to Exelon Generation Company, LLC for an SL III problem involving two related violations identified as a result of an inspection at its R. E. Ginna Nuclear Power Plant (Ginna). The first violation involved Ginna's submittal to the NRC of information that was not complete and accurate in all material respects, as required by 10 CFR 50.9, "Completeness and Accuracy of Information." Specifically, on October 8, 2008, Ginna submitted a senior reactor operator application that did not specify that the applicant had a medical condition that required medication for hypertension. Subsequently, the NRC issued a senior reactor operator license to the individual without a medical restriction. The second violation involved the failure to notify the NRC within 30 days of a permanent disability of a licensed senior operator, as required by 10 CFR 50.74(c). Specifically, the Ginna staff was informed in July 2008 that the operator was taking prescribed medication for hypertension. Ginna did not report this permanent medical condition to the NRC when it submitted NRC Form 396 as part of the senior operator license application in October 2008, and during subsequent biennial requalification medical examinations in 2010 and 2012. Ginna also did not request an amended license with a condition to account for the medical issue until July 16, 2014.

Entergy Nuclear Operations, Inc.
Indian Point 3

EA-14-180

On March 16, 2015, the NRC issued an NOV, characterized as an SL III problem, to Entergy for a violation of 10 CFR 50.9 and 10 CFR 55.3, "License Requirements." This violation involved the failure to provide information to the Commission that was complete and accurate in all material respects and the failure to notify the NRC of a change in a licensed operator's medical condition. Specifically, Entergy submitted an NRC licensed operator renewal application that certified the medical fitness of an applicant. This information was inaccurate in that the applicant had a medical condition that did not meet the minimum standards of 10 CFR 55.33(a)(1) which required a restricting license condition to use a therapeutic device. Entergy also did not report this change in a permanent medical condition to the NRC within 30 days, nor did Entergy request an amended license with a condition to account for the medical issue.

Exelon Generation Company, LLC
Dresden Nuclear Power Station, Unit 3

EA-15-001

On March 26, 2015, the NRC issued an NOV associated with a white SDP finding to Exelon for a violation, identified as a result of an inspection at its Dresden Nuclear Power Station, Unit 3, involving the failure to establish measures to ensure the suitability of materials, parts, equipment, and processes essential to the safety-related functions of structures, systems, and components as required by 10 CFR Part 50, Appendix B, Criterion III. Specifically, the licensee failed to ensure that the application of the automatic depressurization system electromechanical relief valve (ERV) actuators, which are essential to perform the safety-related reactor vessel depressurization and overpressure protection functions, remained suitable for operation. As a result, multiple failures of the 3E ERV occurred during testing before operating cycle D3C23, as well as an indeterminate period of inoperability and unavailability greater than allowed by the Unit 3 TS during operating cycle D3C23. The 3E ERV inoperability during the operating cycle was identified after the failure of the valve during its first operational test following the Unit 3 shutdown for refueling.

Southern Nuclear Operating Company, Inc.
Vogtle Electric Generating Plant

EA-14-158

On March 30, 2015, the NRC issued an NOV associated with a white SDP finding to Southern Nuclear Operating Company, Inc., for the licensee's failure to maintain accurate records of radioactive waste being stored in designated areas, which resulted in a violation of Vogtle Electric Generating Plant TS 5.4.1. Specifically, information regarding the location and contents of the high-integrity containers was not updated when the contents of process shield #10 were changed. This failure to maintain accurate records resulted in a Type B quantity of radioactive material being shipped in a container that was not approved or tested for that purpose. The significance of this event was based on the increased risk to the public and the accident hazard posed when a Type B quantity of radioactive material was shipped in a container that was not approved or tested for that purpose.

Tennessee Valley Authority
Watts Bar, Unit 2

EA-14-179

On April 7, 2015, the NRC issued an NOV to the Tennessee Valley Authority for a violation, identified as a result of an inspection and investigation at its Watts Bar Nuclear Plant, Unit 2, involving the licensee employees' willful failure to follow a procedure for activities affecting quality in accordance with 10 CFR Part 50, Appendix B, Criterion V, "Instructions, Procedures, and Drawings." Specifically, on or about December 19, 2011, contract employees assigned to install anchor bolts for overhead base plates, which support safety-related ventilation in the containment building, willfully failed to remove and replace, or obtain site engineering approval for, newly installed wedge bolt anchors that exceeded 5 degrees of perpendicular, as required by the licensee's procedure. Out of tolerance anchor bolts on two hangers were bent (straightened) to within 5 degrees of perpendicular using a nonapproved modified tool. All four overhead base plates of the two hangers had at least one bent (weakened) bolt.

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Exelon Generation Company, LLC
Nine Mile Point Nuclear Station

EA-14-192

On April 10, 2015, the NRC issued an NOV to Exelon for an SL III problem involving two related violations identified as a result of an inspection at its Nine Mile Point Nuclear Station (NMP). The first violation involved the failure on multiple occasions to notify the NRC within 30 days of medical conditions of licensed reactor operators (ROs) and senior reactor operators (SROs) that involved permanent disabilities or illnesses, as required by 10 CFR 50.74(c). Specifically, between June 2001 and September 2014, the NMP staff was informed that operators were taking prescribed medication for such conditions as hypertension, post-traumatic stress disorder, attention deficit disorder, and asthma. NMP did not report these permanent medical conditions to the NRC when it submitted NRC Form 396 as part of the operators' license application process. Additionally, NMP did not restrict these same licensed ROs and SROs from performing licensed duties when the individuals had disqualifying medical conditions, in accordance with 10 CFR 55.25, "Incapacitation Because of Disability or Illness." The second violation involved the NMP submittal of information to the NRC that was not complete and accurate in all material respects, as required by 10 CFR 50.9. Specifically, on multiple occasions between September 2002 and February 2012, NMP submitted applications for operators that certified the medical fitness of the applicants and that did not identify any needed license operator restrictions regarding disqualifying medical conditions or related prescription medication. Each of the applicants had medical conditions that did not meet the minimum standards of 10 CFR 55.33(a)(1). Subsequently, the NRC, based in part on this inaccurate information, issued reactor operator licenses without the required restricting license conditions.

NextEra Energy Duane Arnold, LLC
Duane Arnold Energy Center

EA-14-237

On April 16, 2015, the NRC issued an NOV associated with a white SDP finding to NextEra Energy Duane Arnold, LLC (licensee) for a violation identified at its Duane Arnold Energy Center involving the failure to comply with 10 CFR Part 50, Appendix B, Criterion IX, "Control of Special Processes," which required the licensee to maintain measures to ensure that special processes are controlled and accomplished by qualified personnel using qualified procedures in accordance with applicable codes, standards, specifications, criteria, and other special requirements. Specifically, between November 5 and 10, 2012, the licensee did not adequately control the application of the torus coating, a special process, because the requirements associated with wet film thickness measurements and conditions for recoat application were not contained in design specifications and vendor documentation, nor were they included in qualified procedures. The licensee's failure to establish adequate quality controls during the application of a torus coating resulted in an unqualified torus coating in excess of the debris loading margin of the emergency core cooling system's suction strainer design. This finding did not present an immediate safety concern, because the unqualified torus coating in excess of the design margin was removed during an outage before the reactor resumed operation.

Exelon Generation Company, LLC
Oyster Creek Nuclear Generating Station

EA-14-178

On April 27, 2015, the NRC issued an NOV associated with a yellow SDP finding to Exelon (licensee) for a violation identified at its Oyster Creek Nuclear Generating Station. The violation involved the failure to comply with 10 CFR Part 50, Appendix B, Criterion III, which

required the licensee to establish measures for the selection and review for suitability of application of materials, parts, equipment, and processes that are essential to the safety-related functions of the structures, systems, and components. Specifically, from the original installation of electromatic relief valves (EMRVs) in 1969, until the valves were redesigned and reinstalled during the 2014 refueling outage, the EMRV actuators were inadequate because, when they were placed in an environment where the actuator was subject to vibration associated with plant operation, the mechanical tolerance between posts and guides created a condition where the springs could wedge between the guides and the posts, jamming the actuator plunger assembly. In addition, given the original design of the valve, the maintenance refurbishing processes were not adequate to maintain the required internal tolerances to prevent excessive fretting and wear of the internal components. As a consequence, two of the five EMRVs were inoperable for more than 24 hours, in violation of TS 3.4.B.

AmerGen Energy Co., LLC
Oyster Creek Nuclear Generating Station

EA-14-186

On April 27, 2015, the NRC issued an NOV associated with a white SDP finding to Exelon (licensee) for a violation of 10 CFR Part 50, Appendix B, Criterion III, involving the failure to review the suitability of an application for a different maintenance process, at its Oyster Creek Nuclear Generating Station, that was essential to a safety-related function of the emergency diesel generators (EDGs). Specifically, from May 13, 2005, to September 9, 2014, the licensee failed to verify the adequacy of the acceptance criteria for a new EDG belt maintenance process, which resulted in the EDG's cooling fan shaft being susceptible to fatigue failure, which occurred on July 28, 2014. Additionally, because the licensee was not aware of the EDG's inoperability between 2005 and 2014, the required actions of the TS were not followed.

Susquehanna Nuclear, LLC
Susquehanna Steam Electric Station

EA-15-022

On June 22, 2015, the NRC issued an NOV associated with a white SDP finding to Susquehanna Nuclear, LLC (Susquehanna). The finding was associated with the failure to implement the 15-minute assessment, classification, and declaration period for a potential loss of reactor coolant system (RCS) barrier emergency action level (EAL) at Susquehanna Steam Electric Station, Units 1 and 2. Specifically, Susquehanna interpreted the 15-minute assessment, classification, and declaration clock to start when operator actions were, or were expected to be, unsuccessful in isolating an RCS leak, rather than when the EAL thresholds were exceeded. Susquehanna's incorrect interpretation of the 15-minute assessment and declaration period degraded its ability to make a timely site area emergency declaration. The NOV involved the failure to comply with the requirements of 10 CFR 50.47(b)(4), "Emergency Plans"; 10 CFR 50.54(q)(2), "Conditions of License"; and 10 CFR Part 50, Appendix E, Section IV.C.2., "Emergency Planning and Preparedness for Production and Utilization Facilities."

Exelon Generation Company, LLC
Clinton Power Station

EA-15-064

On August 11, 2015, the NRC issued an NOV associated with a white SDP finding to Exelon for a violation of 10 CFR Part 50, Appendix B, Criterion III. This violation involved the failure to review the suitability of application of the Division 3 shutdown service water pump

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modifications, which were essential to the safety-related functions of the high-pressure core spray system. Specifically, on or about October 3, 1995, the licensee failed to ensure the modified pump internals would not degrade under expected operating conditions in a way that affected the safety function. The licensee determined the pump failed at the conclusion of its surveillance run on May 30, 2014, but this condition did not reveal itself until the pump failed to start on September 16, 2014. This resulted in the pump being inoperable for approximately 108 days, a period greater than the allowed limiting condition for operation outage times provided in the plant TS. Additionally, because the licensee was not aware of the pump's inoperability during the unit's operation cycle, the required actions of the TS were not followed.

Entergy Nuclear Operations, Inc.
Pilgrim Nuclear Power Station

EA-15-081

On September 1, 2015, the NRC issued an NOV associated with a white SDP finding to Entergy for a violation of 10 CFR Part 50, Appendix B, Criterion XVI, "Corrective Action." This violation involved the failure to establish measures to promptly identify and correct a significant condition adverse to quality, or take corrective actions to preclude repetition, relating to a component that is essential to performing the automatic depressurization system (ADS) safety-related functions. Specifically, the licensee failed to determine that the ADS 'A' safety/relief valve (SRV) did not open upon manual actuation on February 9, 2013. The licensee, therefore, did not take action to preclude repetition, which resulted in the failure of the ADS 'C' SRV to operate upon manual actuation on January 27, 2015. Additionally, because the licensee was not aware of the 'A' SRV's inoperability from February 9, 2013, until January 27, 2015, a period greater than the allowed TS outage time, the required actions of the TS were not followed.

Entergy Operations, Inc.
River Bend 1

EA-15-043

On September 10, 2015, the NRC issued an NOV associated with a white SDP finding to Entergy for a violation of 10 CFR 55.46(c) involving River Bend Station's simulator failure to accurately reproduce the operating characteristics of the facility. Specifically, as of January 30, 2015, the simulator failed to demonstrate the expected plant response to operator input and to normal, transient, and accident conditions to which the simulator has been designed to respond. These simulator modeling issues led to negative training of operators, which contributed to operator challenges to control the plant and maintain plant parameters during a reactor scram in the actual plant that occurred on December 25, 2014.

Exelon Generation Company, LLC
Dresden Nuclear Power Station Unit 2

EA-15-115

On September 16, 2015, the NRC issued an NOV associated with a white SDP finding to Exelon for a violation of 10 CFR Part 50, Appendix B, Criterion III. This violation involved the failure to review the suitability of application of the ADS ERV actuators, which are essential to performing the safety-related reactor vessel depressurization and overpressure protection functions. This resulted in a failure of the 2C ERV, and an indeterminate period of inoperability and unavailability greater than allowed by the TS during the operating cycle. The 2C ERV inoperability during the operating cycle was identified after the failure of the valve during its first operational test in a mid-cycle outage. Additionally, because the

licensee was not aware of the valve's inoperability between 2013 and 2015, the required TS actions were not followed.

Entergy Nuclear Operations, Inc.
Palisades Nuclear Plant

EA-15-171

On November 24, 2015, the NRC issued an NOV, characterized as SL III, to Entergy for a violation of 10 CFR Part 50.9, "Completeness and Accuracy of Information." This violation involved the failure to provide information to the Commission that was complete and accurate in all material respects. Specifically, the licensee submitted Letter No. PNP 2014-015 to the NRC, which inaccurately stated the effective full-power years for which the American Society of Mechanical Engineers (ASME) Code acceptance criteria would be met at Palisades Nuclear Plant. The NRC staff used this information to grant the licensee's proposed alternative to regulatory requirements. On May 22, 2015, the licensee submitted Letter PNP 2015-037 with a corrected analysis. The error in letter PNP 2014-015, and the resultant change to the analysis results in letter PNP 2015-037, represented a significant reduction in the time to reach the ASME Code acceptance criteria limits. Therefore, the information is considered material to the NRC for its review of the proposed alternative to regulatory requirements in letter PNP 2014-15.

Notices of Violation Issued to Materials Licensees

NewFields Mining Design and Technical Services
Elko, Nevada

EA-14-169

On January 16, 2015, the NRC issued an NOV to NewFields Mining Design and Technical Services for an SL III violation involving failure to implement the requirements of 10 CFR 30.34(i). Specifically, on September 23, 2014, the licensee failed to use the required minimum of two independent physical controls that form tangible barriers to secure two portable gauges from unauthorized removal at a temporary job site. The gauges were located inside a metallic box in the licensee's trailer without any independent physical controls present, and the gauge was not under the direct control and constant surveillance of the licensee.

High Mountain Inspection Services, Inc.
Casper, Wyoming

EA-14-182

On February 11, 2015, the NRC issued an NOV to High Mountain Inspection Services, Inc. for an SL III violation involving the failure to comply with 10 CFR 34.49(b), which requires a licensee to conduct a radiation survey of a radiographic exposure device and the guide tube after each radiographic exposure when approaching the device or guide tube. Specifically, on October 7, 2014, the radiographer's assistant approached the radiography exposure device and guide tube without a survey instrument after completing a radiographic exposure of a pipe weld at a temporary job site located near Wright, WY. There was no unnecessary radiation exposure or overexposure to workers as a result of this violation.

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Testing Engineers and Consultants, Inc.
Troy, Michigan

EA-14-221

On February 24, 2015, the NRC issued an NOV to Testing Engineers and Consultants, Inc., for an SL III violation involving the failure to use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee, as required by 10 CFR 30.34(i). Specifically, on November 6, 2014, the inspector observed a portable gauge at a temporary job site with only one barrier (a single padlock on the transportation case) preventing unauthorized removal of the portable gauge.

Megan, LLC
Bridgeport, Connecticut

EA-14-188

On February 25, 2015, the NRC issued an NOV to Megan, LLC, (Megan) for an SL III problem involving six violations. The first violation included multiple failures to maintain two independent controls to form a tangible barrier to secure its portable nuclear gauges from unauthorized removal whenever the gauges were not under Megan's control and constant surveillance, as required by 10 CFR 30.34(i). Specifically, on October 27, 2014, the licensee stored a portable gauge outside of its locked storage cage with no physical barriers in place to secure it from unauthorized removal, and on October 28, 2014, the portable gauges were stored at two different temporary job sites, one inside a personal and one inside a company vehicle with the doors and/or trunk locked, consisting of one physical barrier but without an additional barrier, as required. The other five violations involved Megan's failures to: (1) seek NRC approval before acquiring and possessing licensed materials exceeding the maximum amount authorized by its NRC license, (2) possess or have access to a radiation survey meter, as required by its NRC license, (3) request a license amendment after appointing a new radiation safety officer in place of the individual listed on its license, (4) maintain a log book to track the use of portable gauges at temporary job sites, as required by its NRC license, and (5) train its HAZMAT employees within the 3-year timeframe required by U.S. Department of Transportation regulations and 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."

Beaumont Health System
Royal Oak, Michigan

EA-14-236

On March 9, 2015, the NRC issued an NOV to Beaumont Health System for an SL III violation involving the failure to develop, implement, and maintain written procedures to provide high confidence that each administration was in accordance with the written directive, as required by 10 CFR 35.41(a). In accordance with 10 CFR 35.41(b)(2), the procedures required by 10 CFR 35.41(a) must address verifying that the administration is in accordance with the treatment plan, if applicable, and the written directive. Specifically, on October 30, 2014, the licensee administered yttrium-90 to the posterior portion of the right lobe of a patient's liver, and the licensee's procedures did not require verification that the dose was in accordance with the applicable treatment plan and written directive. As a result, a medical event occurred, where the patient received a dose that was 20.8 percent more than the prescribed dose.

Schultz Surveying & Engineering, Inc.
Poplar Bluff, Missouri

EA-14-238

On March 31, 2015, the NRC issued an NOV to Schultz Surveying & Engineering, Inc., for an SL III violation involving the failure to confine possession and use of byproduct materials to the locations and purposes authorized by the license, as required by 10 CFR 30.34(c). Specifically, between January 31, 2013, and December 16, 2014, the licensee possessed and stored byproduct material at facilities located in Lake Ozark and Branson, MO. These locations were not authorized by the license.

Siemens Medical Solutions USA, Inc.
Cary, North Carolina

EA-15-008

On April 10, 2015, the NRC issued an NOV to Siemens Medical Solutions USA, Inc. (Siemens) for an SL III violation. The violation involved the failure to file NRC Form 241, "Report of Proposed Activities in Non-Agreement States," at least 3 days before engaging in licensed activities within NRC's jurisdiction, as required by 10 CFR 150.20, "Recognition of Agreement State Licenses." Specifically, between September 6, 2011, and August 8, 2014, Siemens, a licensee of the State of North Carolina, used byproduct material within NRC's jurisdiction on numerous occasions without filing the required documentation with the NRC.

Blevins Asphalt Construction Co., Inc.
Mt. Vernon, Missouri

EA-15-073

On May 29, 2015, the NRC issued an NOV to Blevins Asphalt Construction Co., Inc., for an SL III violation. The violation involved the failure to maintain control and constant surveillance or use a minimum of two independent physical controls to secure a portable gauge from unauthorized removal, as required by 10 CFR 20.1802 and 10 CFR 30.34(i). Specifically, on July 30, 2014, an authorized user failed to maintain control and constant surveillance over a gauge containing licensed material, and that gauge was driven over by the individual's vehicle.

LKS Inspection Services, LLC
Kapolei, Hawaii

EA-15-034

On June 8, 2015, the NRC issued an NOV to LKS Inspection Services, LLC, for an SL III problem that involved the failure to meet the following regulations: (1) 10 CFR 34.47(a), requiring individuals acting as radiographers to wear a direct reading dosimeter, an operating alarm rate meter, and a personal dosimeter at all times, and (2) 10 CFR 34.47(a), requiring, in part, that pocket dosimeters be recharged at the start of each shift. Specifically, on January 27, 2015, an LKS Inspection Services radiographer failed to wear an alarming rate meter during radiographic operations, and two radiographers failed to recharge their pocket dosimeters at the start of the shift.

La Crosse BWR ISFSI
La Crosse, Wisconsin

EA-15-026

On June 22, 2015, the NRC issued an NOV to Dairyland Cooperative for an SL III problem involving two violations identified as a result of an inspection at its La Crosse boiling-water reactor (LACBWR) independent spent fuel storage installation (ISFSI). The first violation involved the failure to submit a license amendment to the NRC for changes to the LACBWR

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emergency plan (EP) that reduced its effectiveness before implementing the changes, as required by 10 CFR 50.54(q)(4). Specifically, on October 29, 2012, the licensee implemented changes that reduced the effectiveness of the LACBWR EP and failed to submit a license amendment application to the NRC before implementing the changes. The second violation involved several examples where the licensee failed to maintain the effectiveness of its EP, as required by 10 CFR 50.54(q)(2). Specifically, on several occasions between September 20, 2012, and September 8, 2014, the licensee failed to follow approved EP normal and night shift staffing requirements. In addition, from June 20, 2011, through December 31, 2013, the licensee failed to follow its approved EP for conducting exercises and drills. Specifically, the licensee failed to perform an annual plant emergency exercise from 2011 through 2013 and failed to perform certain plant and ISFSI annual drills between 2011 and 2013, including fire drills in 2011 and 2012, a medical drill in 2013, and a health physics drill in 2012.

Monongalia General Hospital
Morgantown, West Virginia

EA-15-062

On July 14, 2015, the NRC issued an NOV to Monongalia General Hospital (MGH) for an SL III violation. The violation involved the failure to have two written directives dated and signed by an authorized user before the administration of I-131 sodium iodide, as required by 10 CFR 35.40(a). Specifically, on February 8, 2013, and on February 26, 2013, MGH administered I-131 sodium iodide, and the two individuals that signed and dated the written directives were not listed as authorized users on its NRC license.

Howard University Hospital
Washington, DC

EA-15-053

On August 25, 2015, the NRC issued an NOV to Howard University Hospital (HUH) for an SL III problem for two related violations. The violations involved: (1) the failure to control and maintain constant surveillance of licensed material that is in an unrestricted area and not in storage, as required by 10 CFR 20.1802, and (2) the failure to secure licensed materials that are stored in controlled or unrestricted areas from unauthorized removal or access as required by 10 CFR 20.1801, "Security of Stored Material." Specifically, on August 31, 2013, a package containing an iridium-192 source was delivered to the hallway outside the HUH Central Supply Department room, a controlled or unrestricted area, and the licensee did not control or maintain constant surveillance of the source for approximately 4.5 hours. In addition, between August 31, 2013, and September 3, 2013, the package was stored in a locked room to which unauthorized HUH staff had access.

Howard University
Washington, DC

EA-15-078

On August 25, 2015, the NRC issued an NOV to Howard University (HU) for an SL III violation. The violation involved a failure to notify the NRC within 24 hours after the discovery of an unplanned contamination event, in accordance with 10 CFR 30.50(b). Specifically, in February/March 2008, HU discovered that a storage room had been contaminated with material from a vial containing millicurie quantities of cesium-137 and prohibited entry into the room for several months until decontamination was complete. However; from February/March 2008 until May 7, 2015, HU did not notify the NRC within 24 hours as required, after the discovery of the contamination event.

McLaren Medical Center Bay Region
Bay City, Michigan

EA-15-111

On August 27, 2015, the NRC issued an NOV to McLaren Medical Center Bay Region for an SL III violation involving the failure to develop, implement, and maintain written procedures to provide high confidence that each administration is in accordance with the written directive, as required by 10 CFR 35.41(a). Specifically, as of February 6, 2015, the licensee failed to include specific steps in its procedure for verifying the catheter position to ensure the administration was in accordance with the written directive. As a result, a medical event occurred, as the patient received an unintended dose of approximately 2.6 Gray (260 rad) to the skin of the right thigh.

Cal Testing Services, Inc.
Griffith, Indiana

EA-15-117

On October 9, 2015, the NRC issued an NOV to Cal Testing Services, Inc., for an SL III violation involving the failure to ensure each individual who acts as a radiographer or a radiographer's assistant wears a direct reading dosimeter, an operating alarm rate meter, and a personnel dosimeter at all times during radiographic operations, as required by 10 CFR 34.47(a). Specifically, on March 20, 2015, a radiographer's assistant wore an inoperable alarm rate meter while performing radiographic operations.

Testing Engineers & Consultants, Inc.
Troy, Michigan

EA-15-141

On October 23, 2015, the NRC issued an NOV to Testing Engineers & Consultants Inc., for an SL III violation. The violation involved the failure to use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal when the portable gauges were not under the control and constant surveillance of the licensee, as required by 10 CFR 30.34(i). Specifically, from 2011 until June 19, 2015, during off-duty hours, nonlicensee building tenants had access to the storage room's locked door, which resulted in a single physical barrier securing the gauges from unauthorized removal.

CTI and Associates, Inc.
Wixom, Michigan

EA-15-157

On November 23, 2015, the NRC issued an NOV to CTI and Associates, Inc., for an SL III violation of both 10 CFR 20.1801 and 10 CFR 30.34(i). The violation involved the failure to secure licensed material in a portable gauge from unauthorized removal or access, with a minimum of two independent physical controls that form tangible barriers, while the gauge was stored in a controlled or unrestricted area and not under the control and constant surveillance of the licensee. Specifically, the licensee left an unattended gauge inside an unlocked shipping container that was accessible to the public.

ECS Mid-Atlantic, LLC
Hanover, Maryland

EA-15-148

On December 14, 2015, the NRC issued an NOV to ECS Mid-Atlantic, LLC, for an SL III violation. The violation involved a failure to control and maintain constant surveillance or failure to use two independent physical controls that form tangible barriers to secure a

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portable gauge from unauthorized removal, as required by 10 CFR 20.1802 and 10 CFR 30.34(i). Specifically, on June 8, 2015, a portable gauge was left unattended and uncontrolled at a job site at the U.S. Naval Academy, and it was not secured with any physical controls that form tangible barriers to secure it from unauthorized removal.

JOMA Shop, LLC
Brooklyn, New York

EA-15-196

On December 21, 2015, the NRC issued an NOV to JOMA Shop (JOMA) for an SL III problem for two related violations. The violations involved a transfer of watches containing byproduct material without the NRC license, as required by 10 CFR 30.3(a), and an import of material into the United States without having the required license for possession of the material, as required by 10 CFR 110.5, "Licensing Requirements." Specifically, beginning around May 2013, JOMA initially transferred 7,617 tritium watches to unlicensed persons without obtaining a specific license authorizing such transfers, and before April 2012, JOMA imported these watches without having a possession license issued by the State of New York, or without first obtaining a specific import license from the NRC.

Notices of Violation Issued to Fuel Cycle Facility Licensees

Honeywell International, Inc.
Metropolis, Illinois

EA-15-015

On April 20, 2015, the NRC issued an SL III NOV to Honeywell International, Inc., for failing to declare an Alert in response to a hydrofluoric acid release at its Honeywell Metropolis Works facility. Specifically on October 26, 2014, the licensee emergency responders failed to declare an Alert in response to a hydrofluoric acid release from the feeds material building, which resulted in a hazardous situation that migrated outside of the building but stayed within the restricted area or inner fence line.

Babcock and Wilcox Nuclear Operations Group, Inc.
Lynchburg, Virginia

EA-15-021

On June 18, 2015, the NRC issued an SL III NOV to Babcock and Wilcox Nuclear Operations Group, Inc. The violation involved the licensee's failure to ensure that, under a credible abnormal condition, all nuclear processes were subcritical, including use of an approved margin of subcriticality. Specifically, the licensee did not identify a credible abnormal condition that could potentially lead to a high-consequence criticality event and did not establish sufficient controls to ensure subcriticality of cleanout activities performed in the low-level dissolver catch tray.

Babcock and Wilcox Nuclear Operations Group, Inc.
Lynchburg, Virginia

EA-15-214

On December 30, 2015, the NRC issued an SL III to Babcock and Wilcox Nuclear Operations Group, Inc. The SL III problem consisted of two violations. The first violation involved the licensee's failure to establish adequate management measures to ensure that an administrative control identified as an item relied on for safety (IROFS) was implemented and maintained such that it was available and reliable to perform its function. Specifically, on or before July 13 and 14, 2015, the licensee failed to provide adequate training to

operators in the Specialty Fuels Facility (SFF) to ensure that an administrative IROFS for limiting the amount of interstitial moderating material in a process glovebox was implemented correctly. The second violation involved the licensee's failure to apply sufficient controls to reduce the likelihood of occurrence of a high-consequence event to highly unlikely. Specifically, on or before July 13 and 14, 2015, the licensee failed to limit the likelihood of an inadvertent criticality to highly unlikely in the SFF when operators performed actions that rendered a control on interstitial moderating material mass unreliable. The unreliability of this control resulted in the likelihood of an inadvertent criticality shifting from highly unlikely to unlikely, based on the licensee's integrated safety analysis.

Notices of Violation Issued to New Reactor Licensees

None

Civil Penalties Issued to Decommissioning and Low Level Waste Licensees

None

Notices of Violation Issued to Individuals

NOVs issued to individuals are discussed in Appendix D

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Appendix C – Summary of Orders*

Orders Issued to Operating Reactor Licensees

Dominion Nuclear Connecticut, Inc.
Millstone Power Station Unit 2

EA-13-188

On August 26, 2015, the U.S. Nuclear Regulatory Commission (NRC) issued a Confirmatory Order (CO) to Dominion Nuclear Connecticut, Inc. (DNC), to formalize commitments made as a result of an alternative dispute resolution (ADR) mediation session held on July 15, 2015, and two followup conference calls. The commitments were made as part of a settlement agreement between DNC and the NRC regarding an apparent violation of Title 10 of the *Code of Federal Regulations* (10 CFR) 50.59, “Changes, Tests, and Experiments.” The apparent violations involved implementing changes to documents related to the Millstone Unit 2 spent fuel decay time limits and the Millstone Unit 2 chemical and volume control system charging pumps without the NRC’s approval and providing incomplete and inaccurate information to the NRC. One of the apparent violations was considered to have been willful. In response to these apparent violations, DNC agreed to complete a number of actions as fully discussed in the CO. In consideration of those actions, the NRC agreed not to pursue further enforcement action.

Energy Northwest
Columbia Generating Station

EA-14-240

On September 28, 2015, the NRC issued a CO to Energy Northwest, to formalize commitments made as a result of an ADR mediation session held on August 6, 2015. The commitments were made as part of a settlement agreement between Energy Northwest and the NRC regarding a violation that involved nuclear security officers at Columbia Generating Station being willfully inattentive while on duty, which resulted in their failure to meet the requirement to be available at all times inside the protected areas for their assigned response duties, contrary to 10 CFR 73.55(k)(5)(iii). In light of the significant corrective actions Energy Northwest had taken and subject to the satisfactory completion of the additional actions it committed to take, as described in the CO, the NRC will not issue a Notice of Violation for the apparent violation. Those actions include, but are not limited to: (1) conducting a common-cause evaluation, (2) revising its annual compliance and ethics computer-based training to address deliberate misconduct, (3) presenting at an industry forum to discuss the events that led to the CO, (4) conducting a targeted nuclear safety culture assessment, and (5) paying a CP of \$35,000.

Northern States Power Company
Monticello Nuclear Generating Plant, Unit 1

EA-14-193

On December 21, 2015, the NRC issued a CO to Northern States Power Company, Minnesota (licensee), to formalize commitments made as a result of an ADR mediation session. The commitments were made by the licensee as part of a settlement agreement with the NRC regarding apparent violations of NRC requirements. The agreement resolves

* Please note that cases involving security-related issues are not included

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the apparent failure to ensure nondestructive examinations (NDE) on spent fuel dry shielded canisters (DSCs) were performed in accordance with procedural requirements, and the falsification of records when recording the NDE results, contrary to the requirements of 10 CFR 72.158, "Control of Special Processes"; 10 CFR 72.11, "Completeness and Accuracy of Information"; and 10 CFR 72.154(c). The licensee agreed to a number of corrective actions, including: (1) restore compliance for all affected DSCs, (2) revise applicable procedures, (3) present at an industry forum, (4) submit an article to an industry publication, and (5) assess the effectiveness of improvements. In consideration of these commitments, the NRC agreed to refrain from issuing an NOV and the proposed imposition of a CP.

Orders Issued to Materials Licensees

None

Orders Issued to Fuel Cycle Facility Licensees

Honeywell International Inc.
Metropolis, Illinois

EA-14-114

On March 11, 2015, the NRC issued a CO to Honeywell International, Inc. to reflect commitments agreed to during an ADR mediation session conducted on December 9, 2014. The CO arose out of an incident involving a former employee of a Honeywell contractor, who was terminated, in part, for notifying both Honeywell and the Honeywell contractor that the employee smelled alcohol on the employee's immediate supervisor's breath during duty hours. As a summary, Honeywell committed to (1) conducting presentations and training for its employees regarding the policy for raising employee concerns, (2) addressing safety issues and management's response to employee concerns, (3) modifying existing processes and developing new processes that provide ongoing support for employee protection requirements, and (4) reviewing and updating its Safety Conscious Work Environment Policy and incorporating aspects of the NRC's Safety Culture Policy, as appropriate. In exchange, the NRC agreed to not pursue any further enforcement action.

Orders Issued to New Reactor Licensees

None

Orders Issued to Decommissioning and Low Level Waste Licensees

None

Prohibition Orders Issued to Individuals

Bradley D. Bastow

IA-14-039

On August 4, 2015, the NRC issued a CO prohibiting Dr. Bradley D. Bastow, radiation safety officer (RSO) for Cardiology II, P.C., from serving as an RSO until he demonstrates training and his commitment to compliance with regulatory requirements. Dr. Bastow's continued noncompliances related to ensuring that radioactive materials are used safely, securely, and in compliance with the applicable requirement have resulted in the NRC's lack of confidence in his capacity as an RSO. This order does not prevent Dr. Bastow from serving as an authorized user.

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Appendix D – Summary of Escalated Enforcement Actions Against Individuals*

Orders

Orders issued to individuals during 2015 are discussed in Appendix C.

Notices of Violation

Mr. Michael D. Richardson

IA-15-001

On March 6, 2015, the U.S. Nuclear Regulatory Commission (NRC) issued a Notice of Violation (NOV) to Mr. Michael D. Richardson, a former licensed reactor operator at the McGuire Nuclear Station, for a Severity Level (SL) III violation of Title 10 of the *Code of Federal Regulations* (10 CFR) 55.53(j). Specifically, on November 17, 2014, Mr. Richardson reported for duty and actively performed licensed senior operator duties as the operations shift manager. During that shift, he participated in the Duke Energy Carolinas random fitness-for-duty (FFD) testing program, and on November 20, 2014, the Duke Energy medical review officer determined that Mr. Richardson tested positive for an illegal substance.

Mr. Bryan J. Buchanan

IA-14-040

On April 20, 2015, the NRC issued an NOV to Mr. Bryan J. Buchanan, a former rigging manager at the Chicago Bridge and Iron Company (CB&I), for an SL III violation of 10 CFR 52.4, "Deliberate Misconduct." Specifically, on March 1, 2013, Mr. Buchanan deliberately instructed subordinate employees at CB&I's Lake Charles facility (CB&I-LC) to knowingly omit from statements supporting an incident investigation report that: (1) the V. C. Summer CA 01-20 submodule had dropped approximately 3.5 feet, (2) improper rigging equipment (nylon slings) had been used and had broken, and (3) the submodule had sustained damage. These actions caused other CB&I-LC employees to submit incomplete and inaccurate information to their employer, a contractor to an NRC license holder, regarding the incident, and caused the company to be in violation of 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities"; Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants"; Criterion XVI, "Corrective Actions," for failing to promptly identify and correct a condition adverse to quality.

Mr. Frederick Horvath

IA-15-033

On July 22, 2015, the NRC issued Mr. Frederick Horvath, a former electrical maintenance first line supervisor at NextEra's Seabrook Station (Seabrook), an SL III NOV for a violation of 10 CFR 50.5, "Deliberate Misconduct." Specifically, on February 11, 2015, while employed at Seabrook, Mr. Horvath engaged in deliberate misconduct by subverting an FFD drug test. After notification that he was selected for a random drug and alcohol test, Mr. Horvath left the site and provided false information to NextEra about why he did not

* Please note that cases involving security-related issues are not included

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report to the FFD sample collection site within 2 hours of notification, as required by 10 CFR 26.31, "Drug and Alcohol Testing," and NextEra procedures. Mr. Horvath returned to the site approximately 6½ hours after the designated time and submitted to the test.

Mr. Jesse Meyer

IA-15-032

On August 3, 2015, the NRC issued an NOV to Mr. Jesse Meyer, a former licensed senior reactor operator at First Energy Nuclear Operations Company's (FENOC's) Beaver Valley Power Station (BVPS), for an SL III violation of 10 CFR 50.5, for deliberately submitting to the licensee information related to his arrest on June 22, 2014, for driving under the influence, that he knew was incomplete and inaccurate. Specifically, between June 22 and June 27, 2014, Mr. Meyer performed licensed activities at BVPS and deliberately failed to report the arrest within 48 hours, as required by 10 CFR 73.56(g) and FENOC procedures. Mr. Meyer stated that he was aware of FENOC's arrest reporting requirements for individuals maintaining unescorted access authorization (UAA), but he did not report his arrest until June 27, 2014. This information was material to the NRC, because the agency requires that individuals report any legal actions so that licensees may evaluate the circumstances and redetermine the reported individual's unescorted access or UAA status.

Mr. Rudy Ontiveros

IA-15-060

On September 25, 2015, the NRC issued Mr. Rudy Ontiveros, formerly employed as a security officer, an SL III NOV for a violation of 10 CFR 50.5. Specifically, Mr. Ontiveros deliberately submitted inaccurate information to Energy Northwest's Columbia Generating Station (licensee), when completing a reinstatement personnel history questionnaire (PHQ). He indicated on his PHQ that he had not violated the licensee's FFD program and had not used illegal substances in violation of Federal law since his last unescorted access period, when in fact he had done both. Mr. Ontiveros subsequently admitted that he had used an illegal substance and that he submitted a substitute urine sample in an effort to subvert the FFD test to avoid detection of illegal substance usage. The submittal of accurate information is material to the NRC and is required by NRC regulations in 10 CFR Part 26, "Fitness for Duty Programs."

Mr. Jason Smith

IA-15-059

On October 16, 2015, the NRC issued Mr. Jason Smith, formerly employed as a contract employee, an SL III NOV for a violation of 10 CFR 50.5. Specifically, during a pre-access FFD drug test, Mr. Smith deliberately submitted a substitute urine sample and certified by signature on an Energy Northwest custody-and-control form that the urine sample he submitted for testing was his and not adulterated. Mr. Smith admitted to submitting a substituted sample to subvert the FFD test and provided the device used for substitution after the testing facility collector noted that the sample was not within the acceptable temperature range. The submittal of this urine sample was material to the NRC, because drug testing is required by NRC regulations in 10 CFR Part 26.

Mr. Greg Stasny

IA-15-054

On October 22, 2015, the NRC issued an NOV to Mr. Greg Stasny, the former manager of reactor operations at the Texas A&M University Nuclear Science Center (NSC), for an SL III violation of 10 CFR 50.5. Specifically, on or after May 15, 2013, Mr. Stasny deliberately falsified the May 14, 2013, reactor operations log shutdown checklist required by NSC

Technical Specification 6.3 when he certified that the shutdown procedures were performed when in fact they had not been performed. The shutdown checklist is a safety record that the licensee is required to maintain for inspection by the NRC staff, and the completeness and accuracy of this safety information is material to the NRC inspection process.

Mr. Mawuena Gnamavo

IA-15-061

On October 30, 2015, the NRC issued an NOV to Mr. Mawuena Gnamavo for an SL IV violation of 10 CFR 71.8(b)(2) involving deliberate misconduct that caused his employer, Columbiana Hi-Tech (CHT), a certificate holder, to be in violation of the 10 CFR 71.7(a) requirement for knowingly submitting inaccurate quality and nondestructive examination inspector training and experience documents to CHT. Specifically, shortly after Mr. Gnamavo's initial hire date of January 30, 2012, he provided falsified documents to CHT, consisting of a letter of recommendation and a training certificate. These documents were used by CHT as part of the basis to certify Mr. Gnamavo as a qualified inspector in both visual and dye penetrant examinations. Mr. Gnamavo then inspected and approved important-to-safety welds, without the required qualifications, on equipment and components regulated under 10 CFR Part 71, "Packaging and Transportation of Radioactive Material"; and 10 CFR Part 72, "Licensing Requirements for the Independent Storage of Spent Nuclear Fuel and High-Level Radioactive Waste, and Reactor-Related Greater-Than-Class C Waste."

Mr. John Underwood

IA-15-062

On November 16, 2015, the NRC issued Mr. John Underwood, a former licensed senior reactor operator at Southern Nuclear Operating Co., Inc., Farley Nuclear Plant (Farley), an SL III NOV for violation of 10 CFR 55.53(d) and (j). Specifically, on June 2, 2015, Mr. Underwood reported for duty and actively performed licensed senior operator duties as the operations shift manager. During that shift, he participated in the Farley random FFD testing program, and on June 10, 2015, the Farley medical review officer determined that Mr. Underwood tested positive for an illegal substance.

Mr. Anthony Xenakis

IA-15-066

On December 4, 2015, the NRC issued an NOV to Mr. Anthony Xenakis, a former licensed reactor operator at the Surry Power Station, for an SL III violation of 10 CFR 55.53(j). Specifically, on February 3, 2015, Mr. Xenakis reported for duty at the Surry Power Station and was subject to a followup FFD test. Based on the results of the FFD test, the Dominion medical review officer determined that Mr. Xenakis tested positive for an illegal substance. On February 26, 2015, the Surry Power Station terminated Mr. Xenakis's license.

Mr. Mickey Lovell

IA-15-028

On December 28, 2015, the NRC issued an NOV to Mr. Mickey Lovell for SL III violations of 10 CFR 72.12, "Deliberate Misconduct," paragraphs (a)(1) and (a)(2). These violations involved the deliberate failures to ensure that liquid penetrant nondestructive tests, a special process, were conducted in accordance with the Monticello Nuclear Generating Plant procedure. Specifically, from September 5, 2013, through October 17, 2013, Mr. Lovell deliberately failed to comply with procedure steps involving the developing time before final interpretation of 28 welds on the 6 separate spent fuel storage dry shielded canisters he examined. Additionally, Mr. Lovell failed to accurately record the nondestructive evaluation

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results. The information was not accurate, because the developer dwell times were overreported.

Mr. Larry Yeates

IA-15-029

On December 28, 2015, the NRC issued an NOV to Mr. Larry Yeates for SL III violations of 10 CFR 72.12, paragraphs (a)(1) and (a)(2). These violations involved the deliberate failure to ensure that liquid penetrant nondestructive tests, a special process, were conducted in accordance with the Monticello Nuclear Generating Plant procedure. Specifically, from September 5, 2013, through October 17, 2013, Mr. Yeates deliberately failed to comply with procedure steps involving the developing time before final interpretation of 38 welds on the 6 separate spent fuel storage dry shielded canisters he examined. Additionally, Mr. Yeates failed to accurately record the nondestructive evaluation results. The information was not accurate, because the developer dwell times were overreported.

Appendix E – Summary of Escalated Enforcement Actions Against Nonlicensees

(Vendors, Contractors, and Certificate Holders)*

Civil Penalties Issued to Nonlicensees

Chicago Bridge & Iron
Lake Charles, Louisiana

EA-14-085

On April 20, 2015, the U.S. Nuclear Regulatory Commission issued a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$11,200 to the Chicago Bridge and Iron Company (CB&I). This action is based on a Severity Level II problem involving deliberate misconduct on the part of CB&I officials and employees related to a dropped module incident that occurred at the company's Lake Charles, LA, fabrication facility on March 1, 2013. Specifically, the actions stem from violations of Title 10 of the *Code of Federal Regulations* (10 CFR) 52.4, "Deliberate Misconduct," by various CB&I officials and employees who attempted to cover up an incident involving the dropping of a submodule destined for the Virgil C. Summer Nuclear Station. Immediately following the incident, the former rigging manager deliberately instructed subordinate employees to omit key information from incident investigation statements, including: (a) that the submodule had, in fact, dropped approximately 3.5 feet, (b) improper rigging equipment (nylon slings) had been used and had broken, and (c) the submodule had sustained damage. The actions of the CB&I officials and employees also caused the company to be in violation of 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities"; Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants"; Criterion XVI, "Corrective Actions," for failing to promptly identify and correct a condition adverse to quality.

* Please note that cases involving security-related issues are not included

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