



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

September 19, 2016

EA-16-165

Mr. Neal Bishop
Senior Operations Manager
GE Inspection Services
1211 Kona Drive
Rancho Dominguez, CA 90220

SUBJECT: NRC ROUTINE INSPECTION REPORT NO. 03038303/2016001(DNMS)
GE INSPECTION SERVICES

Dear Mr. Bishop:

On June 16, 2016, an inspector from the U.S. Nuclear Regulatory Commission (NRC) conducted a routine inspection at your facility in Mt. Vernon, Indiana, with continued in-office review through August 23, 2016. The purpose of the inspection was to review activities performed under your NRC license to ensure that activities were being performed in accordance with NRC requirements. The purpose of the in-office review was to review information that was not immediately available at the time of the onsite inspection and to assess the adequacy of the security measures for your materials. Mr. Luis Nieves of my staff conducted a final exit meeting by telephone with Mr. Paul Powers of your staff on August 23, 2016 to discuss the inspection findings. The enclosed inspection report presents the results of the inspection.

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

Based on the results of this inspection, one apparent violation of NRC requirements was identified and is being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The apparent violation was of a security related nature and is discussed in the Security Addendum to the inspection report (Enclosure 2).

Enclosure 2 contains Sensitive Unclassified Non-Safeguards Information. When separated from Enclosure 2, Enclosure 1 and its transmittal letter are decontrolled.

N. Bishop

-2-

Because the NRC has not made a final determination in this matter, the NRC is not issuing a Notice of Violation for this inspection finding at this time. The circumstances surrounding this apparent violation, the significance of the issue, and the need for lasting and effective corrective action were discussed with Mr. Paul Powers at the inspection exit meeting on August 23, 2016.

Before the NRC makes its enforcement decision, we are providing you an opportunity to either: (1) respond in writing to the apparent violation addressed in this inspection report within 30 days of the date of this letter or (2) request a Predecisional Enforcement Conference (PEC). **Please contact Aaron T. McCraw at 630-829-9650 within ten days of the date of this letter to notify the NRC of your intended response.**

If you choose to provide a written response, it should be clearly marked as “Response to the Apparent Violation in Inspection Report No. 030-38303/2016001(DNMS); EA-16-165,” and should include, for the apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken to avoid further violations; and (4) the date when full compliance was or will be achieved. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation. The guidance in NRC Information Notice 96-28, “Suggested Guidance Relating to Development and Implementation of Corrective Action,” may be useful in preparing your response. You can find the information notice on the NRC website at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. In addition, if you choose to provide a written response, please mark your entire response, “Security-Related Information – Withhold from Public Disclosure under Title 10 of the Code of Federal Regulations (CFR) 2.390.” In accordance with 10 CFR 2.390(b)(ii), the NRC is waiving the affidavit requirements for your response to this letter. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on the apparent violation and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the conference may include the following: information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned to be taken. If a PEC is held the NRC will issue a press release to announce the time and date of the conference. The PEC will be closed to public observation due to the security-related nature of the finding.

Because your facility has not been the subject of escalated enforcement action within the last two years or two inspections, a civil penalty may not be warranted in accordance with Section 2.3.4 of the Enforcement Policy. In addition, based upon NRC’s understanding of the facts and your corrective actions, it may not be necessary to conduct a PEC in order to enable the NRC to make a final enforcement decision. Our final decision will be based on your confirming on the license docket that the corrective actions previously described to the staff have been or are being taken.

~~OFFICIAL USE ONLY – SECURITY RELATED INFORMATION~~

N. Bishop

-3-

Please be advised that the number and characterization of the apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

The identification of this apparent violation resulted in the retraction of the NRC Form 591M issued to you on June 16, 2016. Mr. Luis Nieves of my staff conducted a final exit meeting, by telephone, to discuss the inspection findings and to instruct you to disregard and destroy the NRC Form 591M on August 23, 2016. The reason the NRC Form 591M was retracted is because the results of the inspection were no longer accurately reflected on the Form.

In accordance with Title 10 of the *Code of Federal Regulations* (CFR) 2.390 of the NRC's "Rules of Practice," a copy of this letter and Enclosure 1 will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html>. However, Enclosure 2 contains security-related information; its disclosure to unauthorized individuals could present security vulnerability. Therefore, the material will not be made available electronically for public inspection. Enclosure 2 must be protected from unauthorized disclosure.

Please feel free to contact Mr. Nieves of my staff if you have any questions regarding this inspection. Mr. Nieves can be reached at 630-829-9571.

Sincerely,

/RA/

John B. Giessner, Director
Division of Nuclear Materials Safety

Docket No. 030-38303
License No. 04-24888-01

Enclosures:

1. IR 03038303/2016001(DNMS)(public)
2. Security Addendum (non-public)

cc w/encls: Mr. Paul Powers, Site RSO
cc w/encl 1: State of Indiana

~~OFFICIAL USE ONLY – SECURITY RELATED INFORMATION~~

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

N. Bishop

-3-

Please be advised that the number and characterization of the apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

The identification of this apparent violation resulted in the retraction of the NRC Form 591M issued to you on June 16, 2016. Mr. Luis Nieves of my staff conducted a final exit meeting, by telephone, to discuss the inspection findings and to instruct you to disregard and destroy the NRC Form 591M on August 23, 2016. The reason the NRC Form 591M was retracted is because the results of the inspection were no longer accurately reflected on the Form.

In accordance with Title 10 of the *Code of Federal Regulations* (CFR) 2.390 of the NRC's "Rules of Practice," a copy of this letter and Enclosure 1 will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html>. However, Enclosure 2 contains security-related information; its disclosure to unauthorized individuals could present security vulnerability. Therefore, the material will not be made available electronically for public inspection. Enclosure 2 must be protected from unauthorized disclosure.

Please feel free to contact Mr. Nieves of my staff if you have any questions regarding this inspection. Mr. Nieves can be reached at 630-829-9571.

Sincerely,

/RA/

John B. Giessner, Director
Division of Nuclear Materials Safety

Docket No. 030-38303
License No. 04-24888-01

Enclosures:

- 1. IR 03038303/2016001(DNMS)(public)
- 2. Security Addendum (non-public)

cc w/encls: Mr. Paul Powers, Site RSO
cc w/encl 1: State of Indiana

DISTRIBUTION w/encls:
See next page

ADAMS Accession Number: ML16263A099

Publicly Available Non-Publicly Available Sensitive Non-Sensitive

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

OFFICE	RIII-DNMS	E	RIII-EICS	E	RIII-DNMS	E	RIII-DNMS	E
NAME	LNieves:ps		RSkokowski		AMcCraw		JGiessner	
DATE	9/12/2016		9/14/2016		9/13/2016		9/19/2016	

OFFICIAL RECORD COPY

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

Letter to Neal Bishop from John Giessner dated September 19, 2016

SUBJECT: NRC ROUTINE INSPECTION REPORT NO. 03038303/2016001(DNMS)
GE INSPECTION SERVICES

DISTRIBUTION w/encls:

RidsSecyMailCenter
OCADistribution
Victor McCree
Glenn Tracy
Patricia Holahan
Robert Fretz
Kerstun Norman
Cynthia Pederson
Darrell Roberts
Edward Williamson
Jody Martin
Scott Moore
Daniel Collins
Michele Burgess
Robert Sun
Sophie Holiday
Brian Holian
Michael Layton
Shyrl Coker
Brice Bickett
David Gamberoni

Michael Hay
Richard Skokowski
Holly Harrington
Hubert Bell
Kimberly Howell
David D'Abate
Jeremy Bowen
John Giessner
Christine Lipa
Aaron McCraw
MIB Inspectors
Allan Barker
Harral Logaras
James Lynch
Viktoria Mitlyng
Prema Chandrathil
Kenneth Lambert
Paul Pelke
Magdalena Gryglak
Sarah Bakhsh
RidsOemailCenter
OEWEB Resource

**U.S. Nuclear Regulatory Commission
Region III**

Docket No. 030-38303

License No. 04-24888-01

Report No. 03038303/2016001(DNMS)

EA No. EA-16-165

Licensee: GE Inspection Services

Facility: 1 Lexan Lane
Mt. Vernon, IN 47620

Inspection Dates: June 16, 2016, with continued in office review
through August 23, 2016

Exit Meeting Date: August 23, 2016

Inspector: Luis Nieves, Health Physicist

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

Enclosure 2 contains Sensitive Unclassified
Non-Safeguards Information. When
separated from Enclosure 2, Enclosure 1 and
its transmittal letter are decontrolled.

Enclosure 1

EXECUTIVE SUMMARY

**GE Inspection Services
NRC Inspection Report 030-38303/2016001(DNMS)**

This was a routine inspection of a radiography license, with activities involving the use of byproduct material (iridium -192). GE Inspection Services is a company located in Mt. Vernon, Indiana. The U.S. Nuclear Regulatory Commission (NRC) License No. 04-24888-01 authorizes GE Inspection Services to use QSA Global Model 880 industrial radiography equipment for non-destructive testing. During the inspection, the inspector identified one security-related apparent violation, which is described in the Security Addendum to this inspection report.

REPORT DETAILS

1 Program Overview and Inspection History

GE Inspection Services was a non-destructive testing company authorized to use radioactive material for industrial radiography on the premises of Sabic Innovating Plastics, a plastics manufacturing company in Mt. Vernon, Indiana. At the time of the inspection, the licensee employed two radiographers including the Radiation Safety Officer (RSO) and three assistant radiographers to perform radiographic operations Monday through Friday, mostly in the evenings.

2 Radiation Safety Program

2.1 Inspection Scope

The inspector reviewed the licensee's safety program by reviewing selected records, touring the facilities, and interviewing selected licensee staff members, such as the RSO and another radiographer.

2.2 Observations and Findings

The inspector toured the field office in Mount Vernon to evaluate the licensee's measures for hazard communication and exposure control. Independent and confirmatory surveys of this facility with all licensed material in storage found no exposures to members of the public in excess of regulatory limits. The inspector was unable to observe the conduct of radiographic operations, as none were scheduled while the inspector was on site. However, licensee personnel were able to demonstrate the implementation of procedures for use and transportation of licensed material. Through these demonstrations and other discussions the inspector found the licensee's staff to be knowledgeable of radiation protection principles and licensee procedures. The inspector also reviewed a selection of safety-related records, including quarterly equipment maintenance and inventories, leak tests, instrument calibrations, radiographer audits, refresher training, and dosimetry.

2.3 Conclusions

No violations of NRC regulatory requirements were identified.

3 Exit Meeting Summary

On June 16, 2016, the inspector presented preliminary inspection findings following the onsite inspection. The licensee did not identify any documents or processes reviewed by the inspectors as proprietary. A telephonic, final exit meeting was conducted on August 23, 2016. The licensee acknowledged the findings presented.

LIST OF PERSONNEL CONTACTED

- # Paul Powers, Site RSO
- # Attended exit meeting on August 23, 2016.

INSPECTION PROCEDURES USED

87121: Industrial Radiography Program