



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

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

February 22, 2017

Mr. Randy Morton, Branch Manager
ATC Group Services LLC
7988 Centerpoint Drive
Suite 100
Indianapolis, IN 46256

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 03013245/2017001(DNMS)
ATC GROUP SERVICES LLC

Dear Mr. Morton:

On January 25, 2017, an inspector from the U.S. Nuclear Regulatory Commission (NRC) conducted a special inspection at your office in Indianapolis, Indiana, with continued in-office review through February 14, 2017. The purpose of the inspection was to examine a device containing radioactive material that you identified in your possession that was not authorized by your NRC license. The device was labeled as containing uranium or depleted uranium shielding, and there was no evidence it contained any other source. The in-office review included a review of the information you submitted to the NRC requesting a license amendment to authorize possession of the device. Mr. Geoffrey Warren of my staff conducted a final exit meeting by telephone with Aaron Daniels of your staff on February 15, 2017, to discuss the inspection findings. This letter presents the results of the inspection.

During this inspection, the NRC staff examined the device and evaluated the discovery and proposed disposal of the device. The inspection consisted of selected examination of procedures and records and interviews with personnel.

Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC's Enforcement Policy. The current Enforcement Policy is included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation concerned the licensee's failure to limit the possession of source material to that material authorized under a specific or general license, as required by Title 10 of the *Code of Federal Regulations* (CFR) Section 40.3. This non-repetitive, licensee-identified, and corrected violation is being treated as a Noncited Violation, consistent with Section 2.3.2.b of the Enforcement Policy.

The inspector determined that the root cause of the violation was that you were unaware that you possessed this device. As corrective action to restore compliance and to prevent recurrence, you have requested that the device be added to your license, with the intent of storing the material until you can properly dispose of it.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance will be achieved is already adequately addressed on the docket in this letter. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to IR 03013245/2017001 (DNMS)" and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region III, within 30 days of the date of this letter. If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made publicly available without redaction.

Please feel free to contact Mr. Warren if you have any questions regarding this inspection. Mr. Warren can be reached at 630-829-9742.

Sincerely,

/RA/

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

Docket No. 030-13245
License No. 13-17732-01

cc: Aaron Daniels, Radiation Safety Officer
State of Indiana

R. Morton

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Letter to Randy Morton from Aaron McCraw dated February 22, 2017

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ATC GROUP SERVICES LLC

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