

May 22, 2017
EN-17-016

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Kim Engineering, Inc. (EA-15-124)
Beltsville, MD

Subject: Notice of Violation and Proposed Imposition of Civil Penalty - \$7,000

This is to inform the Commission that a Notice of Violation and Proposed Imposition of a Civil Penalty in the amount of \$7,000 will be issued on or about May 25, 2016, to Kim Engineering, Inc. (KEI) for a repeat Severity Level (SL) III violation. Based on the information developed during the inspection, the Nuclear Regulatory Commission (NRC) has determined that between January 5, 2015, and August 14, 2015, KEI, a licensee of the State of Maryland, used portable gauges containing licensed material within areas of exclusive federal jurisdiction on numerous occasions without filing for reciprocity with the NRC as required by 10 CFR 150.20. The violation was identified during a follow-up inspection to review KEI's corrective actions for a SL III NOV issued on December 23, 2014, for previous failures to file for reciprocity.

The licensee was requested to either provide a response that described its corrective actions or to request a pre-decisional enforcement conference, or participate in an alternate dispute resolution mediation session. The licensee provided a written response describing its corrective actions.

In accordance with the Enforcement Policy, the base civil penalty (CP) in the amount of \$7,000 is considered for a Severity Level III violation. Because the licensee has been the subject of escalated enforcement action within the last two inspections, the NRC considered whether credit was warranted for both *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the NRC Enforcement Policy. Credit for Identification was not warranted because the violation was identified by the NRC, but credit for corrective action was warranted. The corrective actions included: establishing an in-house committee that focuses on projects that relate to NRC requirements; revising procedures; conducting weekly meetings to establish staff training and awareness; and increasing management involvement. Therefore, to emphasize the importance of NRC requirements and in recognition of the previous escalated enforcement action, a base civil penalty of \$7,000 is being proposed for the SL III violation.

It should be noted that the licensee has not been specifically informed of the enforcement action. The schedule of issuance and notification is:

Mailing of Notice	May 25, 2017
Telephone Notification of Licensee	May 25, 2017

The State of Maryland will be notified.

CONTACTS: Leelavathi Sreenivas, OE/EB
301-287-9249

Juan Peralta, OE/EB
301-287-9510

DISTRIBUTION: EN-17-016, May 25, 2017

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