



Official Use Only – Sensitive Internal Information

**PART I-LICENSE, INSPECTION, INCIDENT/EVENT, AND ENFORCEMENT HISTORY**

1. AMENDMENTS AND PROGRAM CHANGES:

(License amendments issued since last inspection, or program changes noted in the license)

<u>AMENDMENT #</u>	<u>DATE</u>	<u>SUBJECT</u>
No. 2	12/21/2017	Moved only field office
No. 1	10/13/2017	Changed WA mailing address

2. INSPECTION AND ENFORCEMENT HISTORY:

(Unresolved issues; previous and repeat violations; Confirmatory Action Letters; and orders)

An inspection was conducted on October 26-30, 2015 which discovered that Hayre McElroy was operating in NRC jurisdiction without a specific NRC license or approved reciprocity. IR2015-001 resulted in:

- SLIII violation and \$7,000 civil penalty for operating without a license in NRC jurisdiction, determined after OI investigation to have involved careless disregard for NRC requirements
- SLIII violation for failure to submit an amended Form 241 for changes to work activities/locations in NRC jurisdiction after filing an initial Form 241
- SLIV for failure to block and brace a Class 7 (radioactive) package during transportation
- SLIV for failing to maintain use logs in accordance with their initial reciprocity agreement, which tied them to their State of Washington license.

An initial inspection of Hayre McElroy's new license was conducted on June 20, 2016, with no violations identified. The escalated actions had not yet been issued, and as a result were not yet closed out. An inspection was conducted on June 13, 2017 to follow-up the issuance of the escalated actions, with no violations identified and all previous violations closed out. A further inspection was conducted on August 15, 2017, to address additional questions on licensed activities, again with no violations identified.

3. INCIDENT/EVENT HISTORY:

(List any incidents, or events reported to NRC since the last inspection. Citing "None" indicates that regional event logs, event files, and the licensing file have no evidence of any incidents or events since the last inspection.)

None.

**PART II - INSPECTION DOCUMENTATION**

Inspection Procedure Used: 87124

Focus Areas Evaluated: All

1. ORGANIZATION AND SCOPE OF PROGRAM:

(Management organizational structure; authorized locations of use, including field offices and temporary job sites; type, quantity, and frequency of material use; staff size; delegation of authority)

This was an unannounced limited-scope inspection of Hayre McElroy and Associate's (HMA) new field office in Kapolei, Hawaii. On December 21, 2017, Amendment No. 2 of NRC license 46-35280-01 was issued, which changed HMA's only field office in NRC jurisdiction from 99-1312 Koaha Place, #205, Aiea, Hawaii (island of Oahu) to 2045 Lauwiliwili Street, #1301, Kapolei, Hawaii (Island of Oahu). This inspection was limited to storage and use of licensed material from the new office, in addition to observations made during the inspection.

The licensee had conducted a limited public dose assessment, which they committed to completing to demonstrate compliance with 10 CFR 20.1301. Storage and security was adequate at the new location. The licensee had a pair of locking wooden cabinets that secured the licensed material within by a padlock on the cabinet door. In addition, the licensee had a padlock on each case (satisfying LC17) and a cable running through the cases to satisfy a second tangible barrier, thus meeting 10 CFR 30.34(i).

In the inspector's review of the gauge storage, the inspector noted that the use log stored on top of the cabinet did not accurately portray the office's gauges use. The use log indicated that, of the licensee's seven gauges, three were 'checked in' and accounted for. Out of these three gauges, only one was in the storage. The two unaccounted for gauges were at TJS on Oahu. The remaining four gauges were on long-term projects either on Oahu or Kauai.

In addition, the inspector and then-RSO Mr. Keith Blazer discussed the TJS on Kauai, and the RSO informed the inspector that the gauge was stored on Kauai for a long-term project. However, the gauge had been dispatched to other, short-term projects in addition to the long-term project, thereby in effect making the TJS a field office. The inspector discussed that an amendment to the license would be needed to add the Kauai storage location as a field office on the license to allow for dispatching to multiple job sites.

2. INDEPENDENT AND CONFIRMATORY MEASUREMENTS:

(Areas surveyed, both restricted and unrestricted, and measurements made; comparison of data with licensee's results and regulations; and instrument type and calibration date)

Independent radiation measurements were conducted using a Ludlum Model 2401-EC2 survey meter, S/N 21116G, calibrated 3/13/2017. Surveys of the storage area were consistent with a single portable nuclear density gauge, and much less than 2 mR/hr on the outside of the storage cabinet.

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3. VIOLATIONS, NCVs, AND OTHER SAFETY ISSUES:

(State the requirement, how and when the licensee violated the requirement, and the licensee's proposed corrective action plan. For NCVs, indicate why the violation was not cited. Attach copies of all licensee documents needed to support violations.)

As discussed above, the inspector identified the licensee's inaccurate accounting for its portable gauges on its daily use logs as a violation. During the license creation, then applicant Hayre McElroy committed to following Appendix G of NUREG-1556, Volume 1, Revision 2. This appendix requires a daily use log to be filled out to account for the removal and return of portable gauges from storage.

In addition, the licensee's use of a portable gauge on the island of Kauai exceeded the authorization under 'temporary job site' given under LC 10.B, since the licensee was dispatching a portable gauge to multiple job sites from a single storage location, and therefore that storage location was required to be listed as a 'field office' on the license.

As a result of the above findings, the following two SLIV violations were identified during the February 9, 2018 inspection.

- A) License Condition 19.A of NRC License 46-35280-01, Amendment No. 2, dated December 21, 2017, requires, in part, that the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the application dated October 26, 2015, including any enclosures.

In the application dated October 26, 2015, Item Number 10.6 "Radiation Safety Program - Operating, Emergency, and Security Procedures," requires, in part, that the licensee will implement and maintain the operating and emergency procedures in Appendix G to NUREG-1556, Volume 1, Revision 2.

Appendix G to NUREG-1556, Volume 1, Revision 2, requires that gauge users sign out the gauge in a log book (that remains at the storage location), including the date(s) of use, name(s) of the authorized users who will be responsible for the gauge, and the temporary jobsite(s) where the gauge will be used. The Appendix also requires the gauge user to log the gauge into the daily use log when it is returned to storage.

Contrary to the above, on February 9, 2018, the licensee failed to implement and maintain the operating and emergency procedures in Appendix G to NUREG-1556, Volume 1, Revision 2. Specifically, on February 9, 2018, the licensee had seven gauges based out of the Kapolei field office, two of which were out at temporary job sites and failed to be accounted for in the use log on the day of the inspection.

This is a repeat (IR2015-001) Severity Level IV violation (NRC Enforcement Policy Section 6.3.d)

- B) 10 CFR 30.34(c) requires, in part, that each person licensed by the commission shall confine his possession and use of the byproduct material to the locations and purposes authorized in the license.

License Condition 10 of NRC License 46-35280-01, Amendment No. 2, dated December 21, 2017, authorizes use or storage of licensed byproduct material at temporary job sites where the NRC has jurisdiction for regulating the use of licensed material, and at the licensee's Kapolei, Hawaii facility.

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Contrary to the above, from October 30, 2015 to February 6, 2018, the licensee failed to confine his possession and use of the byproduct material to the locations and purposes authorized in the license. Specifically, from October 30, 2015 to February 6, 2018, the licensee dispatched licensed material to more than one job site from a storage location in Lihue, (island of Kauai) Hawaii without the location authorized on the NRC license.

This is a Severity Level IV violation (NRC Enforcement Policy Section 6.3.d)

**5. PERSONNEL CONTACTED:**

(Identify licensee personnel contacted during the inspection, including those individuals contacted by telephone.)

Keith Blazer, Office Manager and Radiation Safety Officer  
Gurdip Hayre, Principle and requested future Radiation Safety Officer

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