



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

July 17, 2018

EA-18-042

Wallace K. Onuma,
Radiation Safety Officer
LKS Inspection Services, LLC
91-1002 Kelau Street
Kapolei, Hawaii 96707

SUBJECT: NOTICE OF VIOLATION; NRC INSPECTION REPORT 030-36762/2018-001

Dear Mr. Onuma:

This letter refers to the unannounced inspection conducted on February 9, and March 1, 2018, at a temporary job site at the Island Energy Services' refinery in Kapolei, Hawaii, and on March 1-2, 2018, at your facility in Kapolei, Hawaii. The inspection was an examination of activities conducted under your license as they relate to public health and safety, to confirm compliance with the U.S. Nuclear Regulatory Commission's (NRC's) rules and regulations, and with the conditions of your license. Within these areas, the inspection consisted of a selected examination of procedures and representative records, observations of activities, independent radiation measurements, and interviews with personnel. The results of the inspection and details regarding the apparent violations were provided to you in a non-publicly available enclosure to NRC Inspection Report 030-36762/2018-001, dated June 4, 2018.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violations identified in the report by either attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision. In a non-publicly available letter dated June 24, 2018, you provided a response to the apparent violations.

Based on the information developed during the inspection, and the information that you provided in your response to the inspection report, the NRC has determined that violations of NRC requirements occurred. The violations, associated with the security requirements, are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding them are described in detail in the subject inspection report. Because of the potential consequences associated with the violations, the violations have been categorized as an escalated enforcement action in accordance with the NRC Enforcement Policy.

Because your facility has not been the subject of escalated enforcement actions within the last 2 years (two inspections), the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. The NRC determined that *Corrective Action* credit is warranted for your

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W. Onuma

2

corrective actions, which were both prompt and comprehensive as documented in the subject inspection report and your letter dated June 24, 2018.

Therefore, to encourage prompt and comprehensive correction of the violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this violation constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that information regarding: (1) the reason for the violations; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in the NRC Inspection Report 030-39050/2018-001 and in your letter dated June 24, 2018. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be made available for public inspection in the NRC's Public Document Room or from the Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

However, the material enclosed contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available for public inspection in the NRC's Public Document Room or electronically from the NRC's ADAMS. If you choose to respond to this letter and Security-Related Information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

If you have any questions concerning this matter, please contact Mr. Michael C. Hay of my staff at 817-200-1455.

Sincerely,

/RA/

Kriss M. Kennedy
Regional Administrator

Docket: 030-36762
License: 53-27795-01

Non-Public Enclosure: Notice of Violation

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NOTICE OF VIOLATION; NRC INSPECTION REPORT 030-36762/2018-001 July 17, 2018

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ADAMS ACCESSION NUMBER: ML18199A157

Cover Letter Only: ADAMS: Non-Publicly Available Non-Sensitive Keyword:
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