



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

November 28, 2018

Mr. James Cruickshank, RSO
Prein & Newhof
3355 Evergreen Drive NE
Grand Rapids, MI 49525

SUBJECT: NRC SPECIAL REPORT NO. 03028571/2018001(DNMS) AND NOTICE OF VIOLATION – PREIN & NEWHOF

Dear Mr. Cruickshank:

On August 20, 2018, an inspector from the U.S. Nuclear Regulatory Commission (NRC) conducted a special inspection at your facilities in Grand Rapids and Cadillac, Michigan, with continued in-office review through November 13, 2018. The purpose of the inspection was to assess the effectiveness of corrective actions that were implemented as a result of an escalated enforcement violation identified during the previous routine inspection. The in-office review included an evaluation of the license amendment request submitted to the NRC to add a new location of use to your NRC license. Mr. Ed Harvey of my staff conducted a final exit meeting by telephone with you on November 15, 2018 to discuss the inspection findings.

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, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation was evaluated 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 violation concerned the licensee's failure to limit the possession of licensed material to those locations listed on the license, as required by Title 10 of the *Code of Federal Regulations* (CFR) 30.34(c) and License Condition 10 of NRC License No. 21-18663-02, Amendment No. 11. The violation is cited in the enclosed Notice of Violation (Notice). The NRC is citing the violation in the enclosed Notice because the inspector identified violation.

The inspector determined that the root cause of the violation was the licensee's misunderstanding that licensed material could be moved prior to receiving NRC approval listing the new location of use on the license. As corrective action to restore compliance, the licensee filed for a license amendment on August 22, 2018, to have the new location of use listed on their NRC license. The amendment request was approved on November 8, 2018. As corrective action to prevent recurrence, the licensee's Radiation Safety Officer informed licensee management that it is necessary to submit an amendment request to the NRC during the early stages of acquiring a new facility if portable gauges are to be stored there and that portable

gauges may not be stored at any new permanent storage facility until it is approved on their NRC license.

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 provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, 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. Harvey if you have any questions regarding this inspection. Mr. Harvey can be reached at 630-829-9819.

Sincerely,

/RA/

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

Docket No. 030-28571
License No. 21-18663-02

Enclosure:
Notice of Violation

cc w/encl: State of Michigan

Letter to Mr. James Cruickshank from Aaron McCraw, dated November 28, 2018.

SUBJECT: NRC SPECIAL REPORT NO. 03028571/2018001(DNMS) AND NOTICE OF VIOLATION – PREIN & NEWHOF

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OFFICE	RIII-DNMS	C	RIII-DNMS	C				
NAME	EHarvey:ps (EHarvey via email)		AMcCraw					
DATE	11/26/2018		11/28/2018					

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

Prein & Newhof
Grand Rapids, Michigan

License No. 21-18663-02
Docket No. 030-28571

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted on August 20, 2018, with continued in-office review through November 13, 2018, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Title 10 of the *Code of Federal Regulations* (CFR) 30.34(c) states, in part, that each person licensed by the Commission pursuant to the regulations in this part and parts 31 through 36 and 39 shall confine his possession and use of byproduct material to the locations and purposes authorized in the license.

License Condition 10 of NRC License No. 21-18663-02, Amendment No. 11, requires that the licensee limit possession and use of licensed material to the facilities listed on the license.

Contrary to the above, on August 20, 2018, through November 8, 2018, the licensee failed to limit possession and use of byproduct material to the locations authorized in the license. Specifically, the licensee possessed portable moisture/density gauges containing byproduct material at 100 E. Chapin Street in Cadillac, Michigan – a location that was not authorized in the license.

This is a Severity Level IV violation (Section 6.3.d.9).

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 was achieved, is already adequately addressed on the docket in the letter transmitting this Notice of Violation (Notice). However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein 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 a Notice of Violation, IR 03028571/2018001(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 the letter transmitting this Notice.

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.

If you choose to respond, your response 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.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 28th day of November, 2018.

Enclosure