



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
REGION I  
2100 RENAISSANCE BLVD.  
KING OF PRUSSIA, PA 19406-2713

December 12, 2018

Heinz Knopfel, Plant Manager  
Argos USA Corporation  
1826 South Queen Street  
Martinsburg, WV 25401

**SUBJECT: ARGOS USA CORPORATION - NRC INSPECTION NO. 03006692/2018001  
AND NOTICE OF VIOLATION**

Dear Mr. Knopfel:

This letter refers to the inspection conducted on June 26, 2018, at your Martinsburg, West Virginia facility and in office review through December 7, 2018. The inspection examined activities conducted under your license as they relate to public health and safety, and to confirm compliance with the Commission's rules and regulations and with 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. On December 7, 2018, an exit meeting was held by telephone with Mr. Andrew Frye, Radiation Safety Officer, to present the results of the inspection.

Based on the results of this inspection, the NRC has determined that six Severity Level IV violations of NRC requirements occurred. These violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <https://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violations are cited in the enclosed Notice of Violation (Notice) because the violations were identified by the NRC.

During the inspection tour of the facility, a drum containing licensed material was identified in a secured storage area within the warehouse supply building. Interview with the RSO indicated that your licensed service contractor coordinates shipment and consignment of material prior to use. The RSO did not recognize the drum and its contents, or when the drum was placed in the storage area. The drum was found to contain Cf-252 sources, which had been exchanged in a plant gauging device and were being stored temporarily before being shipped offsite. Keys to the storage area were maintained in an unlocked desk within the RSO's office in the administration building. After consulting with the contractor and other plant workers, the RSO found that staff who were authorized to obtain the keys allowed the contractor access to the storage area for delivery of the shipment.

The inspector noted limited access control to the administration building and RSO's office. He explained our concern regarding control of the keys and access to the material if unauthorized personnel could obtain the keys. In follow-up discussions with the RSO, he stated that new locks were installed on the storage area door, and that he maintains personal control of the keys at all times. For future shipments of material, the contractor must notify the RSO in advance to obtain the keys and coordinate access to the storage area. These changes appear adequate to ensure security from unauthorized access to licensed material in the storage area.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. During the exit meeting, Mr. Frye indicated that outside support was obtained to assist with program improvements and that corrective actions to address the violations were being taken. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC document system (ADAMS), accessible from the NRC Web site 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 available to the Public without redaction.

If you have any questions regarding this matter, please contact Craig Gordon of my staff at 610-337-5216 or via electronic mail at [craig.gordon@nrc.gov](mailto:craig.gordon@nrc.gov).

Thank you for your cooperation.

Sincerely,

*/RA/*

Arthur L. Burritt, Chief  
Commercial, Industrial, R&D  
and Academic Branch  
Division of Nuclear Materials Safety  
Region I

Docket No. 03006692  
License No. 47-11415-01

Enclosure:  
Notice of Violation

cc w/ enclosure:  
Andrew Frye, RSO  
State of West Virginia

H. Knopfel

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If you have any questions regarding this matter, please contact Craig Gordon of my staff at 610-337-5216 or via electronic mail at [craig.gordon@nrc.gov](mailto:craig.gordon@nrc.gov).

Thank you for your cooperation.

Sincerely,

**/RA/**

Arthur L. Burritt, Chief  
Commercial, Industrial, R&D  
and Academic Branch  
Division of Nuclear Materials Safety  
Region I

Docket No. 03006692  
License No. 47-11451-01

Enclosure:  
Notice of Violation

cc w/ enclosure  
Andrew Frye, RSO  
State of West Virginia

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**SUNSI Review Complete: C.Gordon**

**ML18346A496**

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## NOTICE OF VIOLATION

Argos USA Corporation  
Martinsburg, West Virginia

Docket No. 03006692  
License No. 47-11451-01

During an NRC inspection conducted on June 26, 2018, and subsequent in office review through December 7, 2018, six violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. 10 CFR 30.51 (a)(1) requires that each licensee keep records showing the receipt, transfer, and disposal of byproduct material. The licensee shall retain each record of receipt of byproduct material as long as the material is possessed and for three years following transfer of the material.

Contrary to the above the licensee did not keep records showing the receipt and transfer of fixed gauging devices containing byproduct material, and did not retain records of receipt while the material was possessed. Specifically, as of June 26, 2018, the licensee did not keep records of receipt and transfer of Californium-252 source exchanges, or retain records for three years following transfer of the material.

This is a Severity Level IV violation (Enforcement Manual Section 6.3).

- B. NRC License 47-11451-01, Amendment No. 24, Condition 15, requires, in part, that the licensee conduct a physical inventory every six months, or at intervals approved by the U.S. Nuclear Regulatory Commission, to account for all sources and/or devices received and possessed under the license. Condition 15 also requires that records of inventories be maintained for 3 years from the date of each inventory and include the radionuclide, quantities, manufacturer's name and model number, and the date of the inventory.

Contrary to the above, for three years prior to June 26, 2018, the licensee had not conducted physical inventories every six months to account for all sources and or devices possessed under the license. Specifically, the licensee possessed fixed gauge devices under the license and, as of June 26, 2018, had not conducted a physical inventory for the previous three years, a period greater than six months.

This is a Severity Level IV violation (Enforcement Manual Section 6.3).

- C. NRC License 47-11451-01, Amendment No. 24, Condition 14 A. requires, in part, that sealed sources shall be tested for leakage or contamination at intervals specified in the certificate of registration. The certificate of registration (TN-1031-D-101-B) for the sealed sources possessed by the licensee requires leak testing every 3 years.

Contrary to the above, the licensee failed to leak test sealed sources at the required intervals. Specifically, Cobalt-60 sealed sources were not leak tested between March 17, 2013 and March 17, 2017, an interval greater than 3 years.

This is a Severity Level IV violation (Enforcement Manual Section 6.3).

- D. NRC License 47-11451-01, Amendment No. 24, Condition 14 E. requires, in part, that analysis of leak test samples shall be performed by persons specifically licensed by the USNRC or Agreement State to perform such services.

Contrary to the above, between March 17, 2013 and June 26, 2018, leak test samples were taken by the licensee but sample analysis was not performed by persons specifically licensed by the USNRC or Agreement State to perform such services.

This is a Severity Level IV violation (Enforcement Manual Section 6.3).

- E. NRC License 47-11451-01, Amendment No. 24, Condition 15, requires, in part, that the licensee shall test each gauge for the proper operation of the on-off mechanism (shutter) at intervals not to exceed six months or at such longer intervals as specified in the certificate of registration issued by the USNRC pursuant to 10 CFR 32.210 or the equivalent regulations of an Agreement State.

Contrary to the above, as of June 26, 2018, the licensee did not test each gauge for the proper operation of the on-off mechanism (shutter) since 2015, an interval which exceeds six months.

This is a Severity Level IV violation (Enforcement Manual Section 6.3).

- F. 10 CFR 20.1101(c) requires that the licensee shall periodically (at least annually) review the radiation protection program content and implementation.

Contrary to the above, for the calendar years 2015 - 2017, the licensee did not perform a review the radiation protection program content and implementation, as required.

This is a Severity Level IV violation (Enforcement Manual Section 6.3).

Pursuant to the provisions of 10 CFR 2.201, Argos USA Corporation is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, any response which contests an enforcement action shall be submitted under oath or affirmation.

Your response will be placed in the NRC Public Document Room (PDR) and on the NRC Web site. To the extent possible, it should, therefore, not include any personal privacy, proprietary, or safeguards information so that it can be made publically available without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

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

Dated This 12th day of December, 2018