



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
2443 WARRENVILLE ROAD, SUITE 210  
LISLE, ILLINOIS 60532-4352

March 15, 2019

EA-19-015

Mr. Mike Bazzi  
President, U.S. Operations  
IRISNDT, Inc.  
4649 South Sam Houston Parkway  
Houston, TX 77048

SUBJECT: NRC INSPECTION REPORT NO. 03038777/2019001(DNMS) AND  
NRC INVESTIGATION REPORT NO. 3-2018-002 – IRISNDT, INC.

Dear Mr. Bazzi:

On November 27, 2017, the U.S. Nuclear Regulatory Commission (NRC) received a telephone notification from Mr. Nathan Cox, your Corporate Radiation Safety Officer, informing our office about a security-related incident while an industrial radiographer was working at a temporary job site in the State of Michigan. Technical staff from NRC Region III reviewed this notification and your follow up written report dated November 28, 2017. The NRC Office of Investigations began an investigation into this matter on December 18, 2017, and completed the investigation on December 20, 2018. A factual summary of the NRC investigation was provided to Mr. Kyle Ledbetter, of your staff, in our letter dated February 5, 2019.

Although the NRC investigation did not substantiate that a former employee deliberately failed to secure the radioactive material within your vehicle, based on the results of the NRC's review of this incident, one apparent violation of NRC requirements was identified and is being considered for escalated enforcement action 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 was of a security-related nature. Details of the violation, as well as the corrective actions that have since been taken to restore compliance with regulatory requirements, are discussed in Enclosure 1.

Because the NRC has not made a final determination in this matter, the NRC is not issuing a Notice of Violation for this inspection finding at this time. Mr. Kevin Null and Ms. Deborah Piskura of my staff discussed the circumstances surrounding the apparent violation, the significance of the issue, and the need for lasting and effective corrective action with you and Messrs. Nathan Cox, Kyle Ledbetter, and Peter Nelson during an exit meeting by telephone on March 7, 2019.

Enclosure contains Sensitive Unclassified Non-Safeguards Information. When separated from the Enclosure, this transmittal letter is decontrolled.

M. Bazzi

2

Before the NRC makes its enforcement decision, we are providing you an opportunity to either: (1) respond in writing to the apparent violation addressed in this inspection report or (2) request a Predecisional Enforcement Conference (PEC) or (3) provide no further response based on the information you had previously provided in your written report dated November 28, 2017.

**Please contact Mr. Aaron T. McCraw, Chief of the Materials Inspection Branch, at 630-829-9650 or [aaron.mccraw@nrc.gov](mailto:aaron.mccraw@nrc.gov) within 10 days of the date of this letter to inform the NRC of your intended response.**

If you choose to provide a written response, it should be clearly marked as “Response to the Apparent Violation in Inspection Report No. 03038777/2019001(DNMS); EA-19-015,” and should include, for the apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent 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 was or will be achieved. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation. The guidance in NRC Information Notice 96-28, “Suggested Guidance Relating to Development and Implementation of Corrective Action,” may be useful in preparing your response. You can find the information notice on the NRC’s website at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. Your response should be sent to the NRC’s Document Control Desk, Washington, DC 20555-0001, with a copy mailed to the NRC Region III Office, 2443 Warrenville Road, Suite 210, Lisle, Illinois 60532, within 30 days of the date of this letter. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

If you choose to request a PEC, it will afford you the opportunity to provide your perspective on the apparent violation and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the PEC may include the following: information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned to be taken. If a PEC is held, the NRC will issue a press release to announce the time and date of the PEC. The PEC will be closed to public observation due to the security-related nature of the finding.

Please be advised that the number and characterization of the apparent violation described in the enclosed report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with Title 10 of the *Code of Federal Regulations* (CFR) 2.390 of the NRC’s “Rules of Practice,” a copy of this letter will be available electronically for public inspection in the NRC’s Public Document Room or from the NRC’s Agencywide Documents Access Management System (ADAMS), accessible from the NRC’s website at <http://www.nrc.gov/reading-rm/adams.html>. However, the enclosed inspection report, and your written response, if you choose to provide one, will not be made available electronically for public inspection because of the security-related information that is or would be contained in each.

M. Bazzi

3

Please feel free to contact Ms. Piskura if you have any questions regarding this correspondence. Ms. Piskura can be reached at 630-829-9867.

Sincerely,

*/RA/*

Mohammed A. Shuaibi, Acting Director  
Division of Nuclear Materials Safety

Docket No. 030-38777  
License No. 13-32791-01

Enclosure:  
IR 03038777/2019001(DNMS) non-public

cc w/encl: Nathan Cox, Corporate Radiation  
Safety Officer  
Kyle Ledbetter  
Radiation Safety Officer  
Peter Nelson, Corporate  
Safety Officer

cc w/o encl: State of Indiana  
State of Michigan

M. Bazzi

3

Letter to Mike Bazzi from David Pelton dated March 15, 2019.

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DATE	3/12/2019		3/12/2019		3/13/2019		3/14/2019		3/15/2019	

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