



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 9, 2019

EA-18-123

Ms. Tiffany Davis
Chief Operating Officer
Solis Tek, Incorporated
853 Sandhill Avenue
Carson, CA 90746

SUBJECT: ORDER IMPOSING CIVIL MONETARY PENALTY - \$43,500

Dear Ms. Davis:

This refers to your letter dated June 10, 2019 (NRC's Agencywide Documents Access and Management System (ADAMS) Accession No. ML19170A333), in response to the U.S. Nuclear Regulatory Commission's (NRC) Notice of Violation and Proposed Imposition of Civil Penalty (Notice) sent as an enclosure to our letter dated May 15, 2019 (ADAMS Accession No. ML19114A261). Our letter and the Notice described a Severity Level III problem involving the import and distribution of bulbs containing radioactive material (krypton-85) without the required licensing authorization.

Due to the economic gain accrued as a result of the violation, and to emphasize the significance of deliberate violations and the importance of compliance with regulatory requirements, a civil penalty of \$43,500 was proposed. In your response letter, dated June 10, 2019 (ADAMS Accession No. ML19170A333), you did not dispute the violations or their severity. However, you requested to engage in Alternative Dispute Resolution (ADR) mediation, mitigation of the proposed civil penalty amount, and termination of your license.

After consideration of your response, we have concluded that it is not in NRC's or the public's interest to engage in ADR given the request to terminate the license. In addition, we have concluded that an adequate basis does not exist for mitigation of the proposed civil penalty amount. The NRC's evaluation and conclusions are documented in the Appendix attached to the enclosed Order Imposing Civil Monetary Penalty (Order). Accordingly, we hereby serve the enclosed Order on Solis Tek, Incorporated, imposing a civil penalty in the amount of \$43,500. Within 30 days of the date of the enclosed Order, you must either: (1) pay the civil penalty in accordance with Section IV of the Order, or (2) request a hearing in accordance with Section V of the Order.

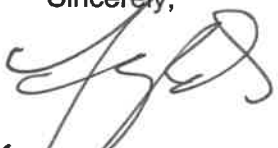
Pursuant to your request in your June 10, 2019, letter, the NRC has issued the license termination for License Number 29-35415-01E (Docket Number: 030-39036) in a letter dated October 9, 2019 (ADAMS Accession No. ML19206A096). Please note that in the future, if you apply for an NRC license, you may be required to provide a detailed discussion to address the underlying reasons for the issues identified in NRC's letter dated May 15, 2019, and what measures are in place such that NRC would be confident that the issues would not recur under the new license. In addition, pursuant to Title 10 of the *Code of Federal Regulations (10 CFR)*,

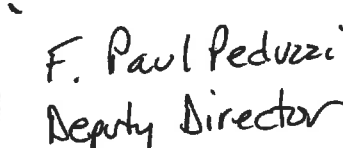
Part 15.29, the Commission may not consider an application for a license from an individual or entity unless all previous delinquent debts of the individual or entity to the NRC have been paid in full.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosures, and your response, if you chose to provide one, will be made available electronically for public inspection in the NRC Public Document Room and from the NRC's 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. The NRC also includes significant enforcement actions on its Web site at (<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>).

If you have any questions concerning this matter, please contact Mr. Hipolito J. Gonzalez, Chief, Materials Safety and Tribal Liaison Branch, Division of Materials Safety, Security, State and Tribal Programs, Office of Nuclear Material Safety and Safeguards at 301-415-5637.

Sincerely,


George A. Wilson, Director
Office of Enforcement


F. Paul Peduzzi
Deputy Director

Docket No. 030-39036
License No. 29-35415-01E

Enclosures:

1. Order Imposing Civil Monetary Penalty
2. NUREG/BR-0254 Payment Methods

cc: State of California
State of New Jersey

Solis Tek, Incorporated

ORDER IMPOSING CIVIL MONETARY PENALTY

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

Solis Tek, Incorporated
Carson, CA

)
)
)
)
)
)

Docket No. 030-39036
License No. 29-35415-01E
EA-18-123

ORDER IMPOSING CIVIL MONETARY PENALTY

I

Solis Tek, Incorporated (Solis Tek) was the holder of Materials License No. 29-35415-01E issued on July 20, 2017, by the U.S. Nuclear Regulatory Commission (NRC or Commission) pursuant to Part 30 of Title 10 of the *Code of Federal Regulations* (10 CFR). The license authorized the distribution of bulbs containing radioactive material (krypton-85) to unlicensed persons in accordance with conditions specified therein. The Solis Tek facility is located in Carson, California.

In its letter dated June 10, 2019, Solis Tek requested termination of License Number 29-35415-01E. the NRC issued the license termination for this license on October 9, 2019 (ADAMS Accession No. ML19206A096).

II

The NRC initiated an investigation on June 20, 2017, and conducted an inspection from July 9, 2018, to August 22, 2018. The results of this investigation and inspection indicated that Solis Tek had not conducted its activities in full compliance with NRC requirements. A written Notice of Violation and Proposed Imposition of Civil Penalty (Notice) was served upon Solis Tek

by letter dated May 15, 2019. The Notice states the nature of the violations, the provisions of the NRC's requirements that Solis Tek violated, and the amount of the civil penalty proposed for the violations.

Solis Tek responded to the Notice in a letter dated June 10, 2019. In its response, Solis Tek did not dispute the violations or their severity, but requested mitigation of the proposed civil penalty amount, alternative dispute resolution (ADR), and termination of the license.

III

After consideration of Solis Tek's response and the statements of fact, explanation, and argument for mitigation contained therein, the NRC staff has determined as set forth in the Appendix to this Order that the violations occurred as stated and that the penalty proposed for the violations designated in the Notice should be imposed. The NRC also determined that ADR was not appropriate given Solis Tek's request to terminate the license.

IV

In view of the foregoing and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205, IT IS HEREBY ORDERED THAT:

Solis Tek pay a civil penalty in the amount of \$43,500 within 30 (thirty) days of the date of this Order. Payment is to be made in accordance with NUREG/BR-0254 "Payment Methods" (<http://www.nrc.gov/reading-rm/doc-collections/nuregs/brochures/br0254/>). In addition, at the time payment is made, Solis Tek shall submit a statement indicating when and by what method

payment was made, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738.

V

In accordance with 10 CFR 2.205(d), Solis Tek and any other person adversely affected by this Order may request a hearing on this Order within 30 days of the date of this Order. Where good cause is shown, consideration will be given to extending the time to answer or request a hearing. A request for extension of time must be directed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington DC 20555, and include a statement of good cause for the extension.

All documents filed in NRC adjudicatory proceedings, including a request for hearing, a petition for leave to intervene, any motion or other document filed in the proceeding prior to the submission of a request for hearing or petition to intervene, and documents filed by interested governmental entities participating under 10 CFR 2.315(c), must be filed in accordance with the NRC E-Filing rule (72 FR 49139, August 28, 2007, as amended by 77 FR 46562, August 3, 2012). The E-Filing process requires participants to submit and serve all adjudicatory documents over the internet, or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek an exemption in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least 10 days prior to the filing deadline, the participant should contact the Office of the Secretary by e-mail at hearing.docket@nrc.gov, or by telephone at 301-415-1677, to (1) request a digital identification (ID) certificate, which allows the participant (or its counsel or representative) to digitally sign submissions and access the E-Filing system for any proceeding in which it is participating; and

(2) advise the Secretary that the participant will be submitting a request or petition for hearing (even in instances in which the participant, or its counsel or representative, already holds an NRC-issued digital ID certificate). Based upon this information, the Secretary will establish an electronic docket for the hearing in this proceeding if the Secretary has not already established an electronic docket.

Information about applying for a digital ID certificate is available on the NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals/getting-started.html>. Once a participant has obtained a digital ID certificate and a docket has been created, the participant can then submit a request for hearing or petition for leave to intervene. Submissions should be in Portable Document Format (PDF). Additional guidance on PDF submissions is available on the NRC public Web site at <http://www.nrc.gov/site-help/electronic-sub-ref-mat.html>. A filing is considered complete at the time the documents are submitted through the NRC's E-Filing system. To be timely, an electronic filing must be submitted to the E-Filing system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document.

The E-Filing system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically using the agency's adjudicatory E-Filing system may seek assistance by contacting the NRC Electronic Filing Help Desk through the "Contact Us" link located on the NRC's web site at <http://www.nrc.gov/site-help/e-submittals/getting-started.html>, by e-mail at MSHD.Resource@nrc.gov, or by a toll-free call at 866-672-7640. The NRC Electronic Filing Help Desk is available between 9 a.m. and 6 p.m., Eastern Time, Monday through Friday, excluding government holidays.

Participants who believe that they have a good cause for not submitting documents electronically must file an exemption request, in accordance with 10 CFR 2.302(g), with their initial paper filing stating why there is good cause for not filing electronically and requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) first class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, 11555 Rockville Pike, Rockville, Maryland, 20852, Attention: Rulemaking and Adjudications Staff.

Participants filing adjudicatory documents in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service. A presiding officer, having granted an exemption request from using E-Filing, may require a participant or party to use E-Filing if the presiding officer subsequently determines that the reason for granting the exemption from use of E-Filing no longer exists.

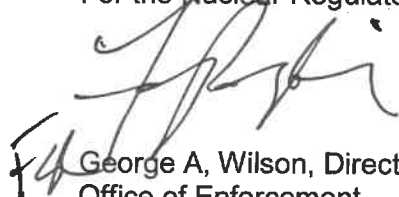
Documents submitted in adjudicatory proceedings will appear in the NRC's electronic hearing docket which is available to the public at <https://adams.nrc.gov/ehd>, unless excluded pursuant to an order of the Commission or the presiding officer. If you do not have an NRC-issued digital ID certificate as described above, click "Cancel" when the link requests certificates and you will be automatically directed to the NRC's electronic hearing dockets where you will be able to access any publicly available documents in a particular hearing docket. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or personal phone numbers in their filings, unless an NRC regulation or other law requires submission of such information. For example, in some instances, individuals provide home addresses in order to demonstrate proximity to a facility or site. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their submission.

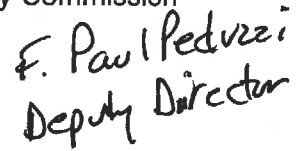
If a person other than Solis Tek requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.309(d) and (f).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section IV above shall be final 30 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a hearing request has not been received.

For the Nuclear Regulatory Commission


George A. Wilson, Director
Office of Enforcement


F. Paul Peduzzi
Deputy Director

Dated this 9th day of October 2019

APPENDIX
EVALUATION AND CONCLUSION

On May 15, 2019, the U.S. Nuclear Regulatory Commission (NRC) issued a Notice of Violation and Proposed Imposition of Civil Penalty (Notice) for violations identified during an NRC investigation and inspection. Solis Tek, Incorporated (Solis Tek or Licensee) responded to the Notice on June 10, 2019. Solis Tek did not dispute the violations or severity, however, Solis Tek requested mitigation of the proposed civil penalty amount. The NRC's evaluation and conclusion regarding Solis Tek's request is as follows:

Summary of Solis Tek's Request for Mitigation of Civil Penalty Amount

Solis Tek requested termination of the license, Alternative Dispute Resolution (ADR) mediation, and a decrease of the civil penalty amount due.

NRC Evaluation of Licensee's Request

In its letter dated June 10, 2019, Solis Tek requested termination of License Number 29-35415-01E. The NRC issued the license termination for this license on October 9, 2019 (ADAMS Accession No. ML19206A096).

The NRC's interest in the ADR process is mutually agreeable changes to a licensee's program that result in not only corrective actions to restore compliance and maintain compliance in the future, but also to make a stronger, more robust licensee program. The outcome of an ADR is an Order that amends the license. This is not compatible with termination of a license. The NRC Enforcement Policy, Section 2.4.3 states, in part, that in some circumstances, it may not be appropriate for the NRC to engage in ADR. The NRC has determined that it is not in the NRC's or the public's interest for NRC to engage in ADR given the request to terminate the license.

Section 2.5.5 of the NRC Enforcement Manual states, in part, that although Tables A and B in the Enforcement Policy are structured to take into account the gravity of a violation as a primary consideration, and a licensee's ability to pay as a secondary matter, there may be circumstances that warrant an adjustment to the base civil penalty or consideration of payment of a civil penalty over time. Section 2.5.5 also describes the information needed from a licensee to support the reduction of a civil penalty on this basis. During the exit call on June 5, 2019, Solis Tek requested information on installment payments, indicating that a lump sum payment of the civil penalty may pose a financial hardship. In an email dated June 6, 2019, the NRC provided Solis Tek with information regarding requesting payments over time or a reduction in penalty. The email indicated that such requests can be considered and summarized the information that is typically required to make a request on the basis of financial hardship. The email also reminded Solis Tek that there was an email address and phone number in the "Payment Methods" brochure that was enclosed with the final action letter for questions regarding payments. In this case, Solis Tek did not subsequently submit the information required to support a reduction in penalty or payments over time on this basis.

Conclusion

Based on its evaluation, the NRC has concluded that these violations occurred as stated, that engaging in ADR is not in the NRC's or the public's interest, and that Solis Tek did not provide an adequate basis for mitigation of the proposed civil penalty. Therefore, the NRC will impose a civil penalty in the amount of \$43,500.