



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

September 5, 2019

EA-19-017

Mr. Russell Allan Phillips
Radiation Safety Officer
Intertek Asset Integrity Management, Inc.
P.O. Box 1536
Morgan City, LA 70381-1536

SUBJECT: NOTICE OF VIOLATION; NRC INSPECTION REPORT 030-37816/2019-001

Dear Mr. Phillips:

This letter refers to the announced reactive inspection conducted on January 29, 2019, at your facility in Houma, Louisiana. The inspection was conducted in response to an event called into the U.S. Nuclear Regulatory Commission (NRC) on January 29, 2019, Event Notification 53850, regarding a radiography source disconnect that had occurred offshore in the Gulf of Mexico on January 26, 2019. A final exit briefing was conducted telephonically with you on June 4, 2019, and the details regarding the apparent violations of regulatory requirements were provided in NRC Inspection Report 030-37816/2019-001, dated July 3, 2019, NRC's Agencywide Documents Access and Management System (ADAMS) Accession ML19186A294.

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, requesting alternative dispute resolution (ADR), or providing a written response before we made our final enforcement decision. In a non-publicly available letter dated July 24, 2019 (ADAMS Accession ML19214A049), you provided a written response to the apparent violations.

Based on the information developed during the inspection and the information provided in your July 24, 2019, written response, the NRC has determined that two violations of NRC requirements occurred. The first violation is cited in the Notice of Violation (Notice) contained in Enclosure 1. The violation involved the failure to develop and implement written procedures for conducting inspections and maintenance on radiographic equipment at intervals not to exceed 3 months. The NRC considers this violation to be significant because an inadequate inspection and maintenance procedure contributed to a cable break, the radioactive source becoming disconnected from the radiographic exposure device, and unnecessary personnel exposure to recover the disconnected radioactive source.

Enclosure 2 contains Official Use Only - Security-Related Information. When separated from Enclosure 2, this cover letter and Enclosure 1 are decontrolled.

R. Phillips

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The second violation involved NRC security requirements and is cited in the non-public Notice contained in Enclosure 2. The circumstances surrounding the violation are described in detail in the non-public portion of the subject inspection report. The violation involved a failure associated with the security requirements in Title 10 of the *Code of Federal Regulations* (10 CFR) Part 37. Because of the potential consequences associated with the violation, the violation has been categorized as an escalated enforcement action in accordance with the NRC Enforcement Policy. The Enforcement Policy can be found on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$14,500 is considered for a Severity Level III violation.

Because your facility has not been the subject of escalated enforcement actions within the last 2 years, 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 corrective actions, which were both prompt and comprehensive as documented in the subject inspection report and your letter dated July 24, 2019.

Therefore, to encourage prompt and comprehensive correction of 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 these violations constitutes an escalated enforcement action that may subject your facility 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 will be achieved is already adequately addressed on the docket in your letter dated July 24, 2019, and NRC Inspection Report 030-37816/2019-001. 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 Notices.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, Enclosure 1, and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's ADAMS, accessible from the website at <http://www.nrc.gov/reading-rm/adams.html>.

However, the material in Enclosure 2 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 Enclosure 2 will not be made available for public inspection in the NRC's Public Document Room or electronically in 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.

R. Phillips

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If you have any questions concerning this matter, please contact Ms. Patricia Silva of my staff at 817-200-1455.

Sincerely,

/RA/

Scott A. Morris
Regional Administrator

Docket No. 030-37816
License No. 17-29308-01

Public Enclosure:

1. Notice of Violation

Non-Public Enclosure:

2. Notice of Violation

cc w/Enclosures:

Jeff Dauzat, Administrator

Louisiana Dept. of Environmental Quality

Charlotte Sullivan, Manager

Texas Department of State Health Services

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

R. Phillips

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NOTICE OF VIOLATION; NRC INSPECTION REPORT 030-37816/2019-001 – DATED
SEPTEMBER 5, 2019

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Cvr Ltr & Encl 1: ADAMS ACCESSION NUMBER: ML19254B056

☒SUNSI Review: JGK ADAMS: ☐ Non-Publicly Available ☒Non-Sensitive Keyword: By:
☒ Yes ☐ No ☒ Publicly Available ☐ Sensitive RGN-4-001

Cvr Ltr & All Encl: ADAMS ACCESSION NUMBER: ML19254B057

☒SUNSI Review: JGK ADAMS: ☒ Non-Publicly Available ☐Non-Sensitive Keyword: By:
☒ Yes ☐ No ☐ Publicly Available ☒ Sensitive A.3

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NOTICE OF VIOLATION

Intertek Asset Integrity Management, Inc.
Morgan City, Louisiana

Docket No. 030-37816
License No. 17-29308-01
EA-19-017

During an NRC inspection conducted on January 29, 2019, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 34.31(b) requires, in part, that a licensee have written procedures for inspection and routine maintenance of radiographic exposure devices and associated radiographic equipment at intervals not to exceed 3 months to ensure proper functioning of components important to safety.

Contrary to the above, from April 12, 2016, to January 26, 2019, the licensee failed to have written procedures for inspection and routine maintenance of associated radiographic equipment at intervals not to exceed 3 months to ensure proper functioning of components important to safety. Specifically, the licensee had written procedures for daily visual and operability checks required by 10 CFR 34.31(a), but failed to develop written procedures for the inspection and maintenance of required equipment at intervals not to exceed 3 months. The failure to implement these procedures contributed to a cable break and the radioactive source becoming disconnected from the radiographic exposure device.

This is a Severity Level III violation (NRC Enforcement Policy Section 6.3.c.4).

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 will be achieved is already adequately addressed on the docket in your letter dated July 24, 2019, and NRC Inspection Report 030-37816/2019-001.

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; EA-19-017," 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 IV, 1600 East Lamar Blvd., Arlington, Texas 76011-4511 within 30 days of the date of the letter transmitting this Notice of Violation (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, United States 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 Public Document Room or in the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy or proprietary information so that it can be made available to the public without redaction.

Enclosure 1

In accordance with 10 CFR 19.11, you may be required to post this Notice within 2 working days of receipt.

Dated this 5th day of September 2019