



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

JUN 4 1993

Docket No. 15000042
General License 150.20
EA 92-077

Panhandle N.D.T. & Inspection, Inc.
ATTN: Orvil Couch, President
1203 Industrial Boulevard
P.O. Box 1474
Borger, Texas 79008

SUBJECT: NRC INSPECTION REPORT 15000042/92-01 AND OI INVESTIGATION CASE
NO. 4-92-004

This is in reference to the special, unannounced inspection conducted by Mr. Selvan Rajendran of this office on April 23-24, 1992, of radiography activities conducted by Panhandle N.D.T. & Inspection, Inc. (Panhandle) in NRC jurisdiction. These radiography activities were conducted under the terms of 10 CFR 150.20, using Byproduct Materials License LO 2627 issued by the state of Texas. Additionally, this is in reference to an investigation conducted by NRC's Office of Investigations (OI) to determine whether Panhandle or its employees intentionally violated NRC requirements.

Areas examined during the inspection are identified in the enclosed inspection report. Within these areas, the inspection consisted of selective examination of procedures and representative records, and interviews of personnel. At the conclusion of the inspection, the findings were discussed with members of your staff identified in the enclosed report.

Based on the results of this inspection and the conclusions reached during the OI investigation, three violations of NRC requirements were identified. Two of these violations, the failure to use alarm ratemeters during radiography and the failure to file NRC Form 241 for activities conducted in NRC jurisdiction in 1991 and early 1992, are significant violations and normally are cause for consideration of monetary civil penalties or other escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C. However, because NRC issued an immediately effective order on May 18, 1992, which indefinitely suspended Panhandle's authority to work in non-Agreement States under the terms of 10 CFR 150.20, no additional enforcement action is being taken.

The investigation conducted by OI focused on Panhandle's failure to file NRC Form 241 as required by 10 CFR 150.20, and on the failure of Panhandle radiography personnel to wear alarm ratemeters as required by 10 CFR 34.33(a). The OI investigation determined that Panhandle deliberately conducted radiographic operations in NRC jurisdiction in 1991 and 1992 without filing

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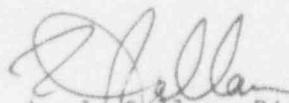
the required NRC Form 241 and confirmed that Panhandle had not purchased alarm ratemeters for use by Panhandle radiography personnel while conducting radiography within NRC's jurisdiction. A copy of the investigative synopsis is enclosed for your information.

Panhandle is not required to respond to this report or to the violations that are identified. Panhandle is advised that any violation of the terms of the May 18, 1992, Order may be considered willful and may subject Panhandle or individuals involved in the commission of such violations to criminal or civil sanctions. Should Panhandle wish to resume radiography activities within NRC jurisdiction, you may, as indicated in the Order, request in writing that the terms of the May 18, 1992, Order be relaxed or rescinded. You should be prepared to discuss any corrective actions you have taken relative to the violations identified in this report, and to discuss why the NRC should have confidence that Panhandle will comply with NRC requirements in the future. Any such request should be addressed to James L. Milhoan, Regional Administrator, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas, 76011.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

If you have any questions concerning this letter, please contact Mr. Fisher or me at (817) 860-8100.

Sincerely,



L. J. Callan, Director
Division of Radiation Safety
and Safeguards

Enclosures:

1. Appendix - NRC Inspection Report
15000042/92-01
2. OI 4-92-004 Synopsis

cc w/enclosures:

Texas Radiation Control Program Director
Oklahoma Radiation Control Program Director
New Mexico Radiation Control Program Director

Panhandle N.D.T. &
Inspection, Inc.

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bcc:

DMB - Original (IE-07) ✓
JLMilhoan
LJCallan
DDChamberlain
MRodriguez, OC/LFDCB (4503)
*WLFisher
*CLCain
*MCHernandez
*NMLS
*MIS System
*RIV Files (2)
*RSTS Operator
*REHall, URFO
GFSanborn, EO
WLBrown, RC
RJDoda, SAPO
R Wise, AC
JLieberman, OE (7 H5)

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Panhandle N.D.T. &
Inspection, Inc.

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bcc:

DMB - Original (IE-07)

JLMilhoan

LJCallan

DDChamberlain

MRodriguez, OC/LFDCB (4503)

*WLFisher

*CLCain

*MCHernandez

*NMLS

*MIS System

*RIV Files (2)

*RSTS Operator

*REHall, URFO

GFSanborn, EO

WLBrown, RC

RJDoda, SAPO

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