



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

May 6, 2021

EA-20-113

Mr. Avinash Rachmale, P.E.
Chief Executive Officer
LGC Global Corporation
7310 Woodward Avenue
Detroit, MI 48202

SUBJECT: LGC GLOBAL CORPORATION - NOTICE OF VIOLATION, EXERCISE OF DISCRETION, AND PROPOSED IMPOSITION OF CIVIL PENALTY - \$22,500; NRC INSPECTION REPORT (NON-LICENSEE/2019-001(DNMS))

Dear Mr. Rachmale:

This letter refers to the non-routine inspection conducted onsite July 22 and 24, 2019, and September 19, 2019, at your Highland Park, Michigan field office and at your main office in Detroit, Michigan, with continued in-office review through November 30, 2020. The purpose of the inspection was to verify the continued safe and secure storage of: (1) two Seaman Nuclear Corporation moisture density gauges, each containing a 5.5-millicurie radium-226 sealed source, and (2) two ThermoFisher Scientific Niton hand-held x-ray analyzers, one containing a 4.5-millicurie americium-241 sealed source and one containing a 40-millicurie cadmium-109 sealed source. During the inspection, an apparent violation of U.S. Nuclear Regulatory Commission (NRC) requirements was identified involving possessing the radioactive material without a valid NRC license authorizing the possession. On November 30, 2020, a senior materials inspector, Ms. Deborah Piskura discussed with Ms. Carmen Hernandez of your staff the circumstances surrounding this apparent violation, the significance of the issue, and the prompt corrective actions required during a telephone exit meeting. Details regarding the apparent violation were provided to you in NRC Inspection Report No. Non-Licensee/2019-001(DNMS), dated December 30, 2020. The inspection report can be found in the NRC's Agencywide Documents Access and Management System (ADAMS) at Accession Number ML20364A250. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

In the letter transmitting the inspection report, we provided you the opportunity to address the apparent violation identified in the report by either attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision. In a January 22, 2021, e-mail, your attorney, Mr. Don Blevin requested additional time to identify licensee(s) to whom you could transfer the radioactive material. In response to Mr. Blevin's e-mail, the NRC granted you an additional 21 days. As of the date of this letter, LGC Global has not provided a written response to our December 30, 2020 letter. Further, despite the rationale for the additional time LGC Global requested to respond to the letter, LGC Global has neither properly disposed of or transferred the radioactive material to a facility authorized by the NRC or an Agreement State to possess the material nor submitted a request for an NRC license. Therefore, the NRC has determined that a violation of NRC requirements occurred and is proceeding with the enclosed enforcement action. Specifically, the violation involved the failure

to limit the possession of byproduct radioactive material to that authorized by a specific license as required by Title 10 of the *Code of Federal Regulations*, Section 30.3(a). Since at least July 22, 2019, LGC Global possessed 11 millicuries of radium-226 in two Nuclear portable moisture density gauges without a valid NRC license, and was not exempt from the requirements for a license. LGC Global also was in possession of two material analyzers, with one analyzer containing 4.5 microcuries of americium-241 and the other containing 40 millicuries of cadmium-109. Because the analyzers were not properly transferred to LGC Global, in accordance with 10 CFR 31.5(b)(2), the general license granted by 10 CFR 31.5 does not apply. Therefore, LGC Global is in possession of these analyzers without an NRC specific license.

The possession of radioactive material without a license is a significant safety concern in that the licensing process provides reasonable assurance that the possession and use of the material is in accordance with NRC requirements to protect the health and safety of the public, and the environment. Therefore, the violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level (SL) III. Further, to emphasize the importance of good performance toward timely compliance with NRC requirements, I have been authorized, after consultation with the Director, Office of Enforcement, to issue a civil penalty in the amount of \$22,500 in accordance with Section 3.6 of the Enforcement Policy, "Use of Discretion in Determining the Amount of a Civil Penalty."¹ The violation is cited in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) and the circumstances surrounding it are described in detail in the subject inspection report.

The NRC will not impose the \$22,500 civil penalty identified with the enclosed Notice of Violation, if within 30 days of the date of this letter, LGC Global (1) properly transfers all radioactive material in the gauges and x-ray analyzers for disposal and/or possession by an authorized licensed entity and (2) provides the NRC with acceptable documentation which includes: (a) written confirmation from the authorized recipient that the material has been received and they are authorized to possess the material under an NRC or Agreement State license; and (b) a copy of the leak test records indicating the radioactive sources are not leaking up to the time period of transfer for disposal or possession by an authorized licensed entity. The above documentation should be provided to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region III, 2443 Warrenville Road, Lisle, Illinois, 60532-4352, and with a copy to the Document Control Center, Washington, DC 20555-0001. However, if LGC Global does not complete the above actions in the timeframe specified, the NRC will impose the \$22,500 civil penalty and will consider the imposition of additional daily civil penalties that would continue to accrue until LGC Global corrects the violation and complies with NRC requirements by properly transferring all of the radioactive material in its possession for disposal and/or possession by an authorized licensed entity.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC will use your response, in part, to 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, its enclosures, and your response will be made available electronically for public inspection in the

¹ The NRC observed that LGC Global has exhibited poor performance in its action to comply with NRC requirements. Further, LGC Global has demonstrated poor communication with the NRC, including its failure to provide a written response to the NRC's December 30, 2020, letter, even after LGC Global requested and was granted additional time to respond.

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 or proprietary 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 <https://www.nrc.gov/about-nrc/regulatory/enforcement/current.html>

If you have any questions concerning this matter, please contact Jamnes Cameron of my staff at 630-810-4373.

Sincerely,

John B. Giessner
Regional Administrator

Docket No. 99990003
License No. Non-Licensee/2019-001(DNMS)

Enclosures:

1. Notice of Violation and Proposed Imposition of Civil Penalty
2. NUREG/BR-0254, "Payment Methods"

cc w/encl 1: State of Michigan

Letter to Mr. A. Rachmale from John B. Giessner dated May 6, 2021

SUBJECT: LGC GLOBAL CORPORATION - NOTICE OF VIOLATION, EXERCISE OF DISCRETION, AND PROPOSED IMPOSITION OF CIVIL PENALTY - \$22,500; NRC SPECIAL INSPECTION REPORT (NON-LICENSEE/2019-001(DNMS))

DISTRIBUTION w/encl:

RidsSecyMailCenter	Jamnes Cameron
OCADistribution	Doug Dodson
Margaret Doane	Holly Harrington
Darrell Roberts	David Lee
Anton Vegel	Tracy Higgs
Francis Peduzzi	Meghan Blair
Juan Peralta	Jessie Quichocho
Susan Woods	Aida Rivera-Varona
Jack Giessner	David Pelton
Kenneth O'Brien	Joseph Nick
David Lew	Michael Kunowski
Laura Dudes	Robert Ruiz
Scott Morris	MIB Inspectors
Brooke Clark	Harral Logaras
Mauri Lemoncelli	Darren Piccirillo
John Lubinski	Viktoria Mitlyng
Robert Lewis	Prema Chandrathil
Kevin Williams	Kenneth Lambert
Michele Burgess	Paul Pelke
Robert Sun	Sarah Bakhsh
Raymond McKinley	RidsOemailCenter Resource
Mark Kowal	
Jeremy Groom	

ADAMS Accession Number: ML21124A137

OFFICE	RIII EICS	E	RIII MIB	E	RIII DNMS	E	NMSS	E
NAME	SBakhsh KJL for		MKunowski		DPelton JN for		MBurgess	
DATE	4/23/2021		4/23/2021		4/26/2021		4/28/2021	
OFFICE	OE	E	OGC	E	RIII EICS	E	RIII ORA	E
NAME	JPeralta		LBaer		JCameron		JGeissner	
DATE	5/3/2021		4/30/2021		5/3/2021		5/6/2021	

OFFICIAL RECORD COPY

NOTICE OF VIOLATION, EXERCISE OF DISCRETION,
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

LGC Global Corporation (Non-Licensee)
Detroit, Michigan

Docket No. 99990003
Non-Licensee/2019-001(DNMS)
EA-20-113

During a Nuclear Regulatory Commission (NRC) non-routine inspection conducted on July 22 and 24, 2019, and September 19, 2019, at the Highland Park, Michigan field office and at the main office in Detroit, Michigan, with continued in-office review through November 30, 2020, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the NRC proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The violation and associated civil penalty are set forth below:

Title 10 of the *Code of Federal Regulations* (CFR) 30.3(a) requires, in part, that except for persons exempted, no person shall possess byproduct material except as authorized by a specific or general license issued in accordance with the regulations in this chapter.

Contrary to the above, since July 22, 2019, LGC Global Corporation possessed (1) two Seaman Nuclear Corporation moisture density gauges, each containing a 5.5-millicurie radium-226 sealed source, and (2) two ThermoFisher Scientific Niton hand-held x-ray analyzers, one containing a 4.5-millicurie americium-241 sealed source and one containing a 40-millicurie cadmium-109 sealed source and was not exempt from the requirements for a license.

This is a Severity Level III violation (Section 6.3).

Civil Penalty - \$22,500. (EA-20-113)

Pursuant to the provisions of 10 CFR 2.201, LGC Global Corporation is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville, MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region III, 2443 Warrenville Road, Lisle, IL 60532-4352, and a copy to the Document Control Desk, Washington, DC 20555-0001, within 30 days of the date of this Notice of Violation and Proposed Imposition of Civil Penalty (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation; (EA-20-113)" and should include for each alleged violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. In addition, please provide documentation that the material has been transferred or disposed of properly. Acceptable documentation includes: (1) written confirmation from the authorized recipient that the material has been received and they are authorized to possess the material under an NRC or Agreement State license; and (2) a copy of the leak test records indicating the radioactive sources are not leaking up to the time period of transfer for disposal or possession by an authorized licensed entity.

Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not

Enclosure 1

received within the time specified in this Notice, the NRC may issue an order to LGC Global or a Demand for Information requiring you to explain why the NRC should not take other action as may be proper.”

After 30 days of the date of this Notice of Violation, a Civil Penalty in the amount of \$22,500 will be imposed. However, the NRC will not impose the \$22,500 civil penalty, if, within 30 days of the date of this letter, LGC Global (1) properly transfers all gauge and x-ray analyzer radioactive material in its possession for disposal and/or possession by an authorized licensed entity and (2) provides the NRC with acceptable documentation of the transfer, which includes: (a) written confirmation from the authorized recipient that the material has been received and they are authorized to possess the material under an NRC or Agreement State license; and (b) a copy of the leak test records indicating the radioactive sources are not leaking up to the time period of transfer for disposal or possession by an authorized licensed entity. The documentation should be clearly marked “Transfer Information Addressing Notice of Violation (EA-20-113)” and sent to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region III, 2443 Warrenville Road, Lisle, Illinois, 60532-4352, and with a copy to the Document Control Center, Washington, DC 20555-0001.

If LGC Global does not complete the above actions, the NRC will issue an Order to impose the \$22,500 civil penalty and will consider the imposition of additional daily civil penalties that would continue to be assessed until the Licensee addresses the violation by transferring or disposing of all sealed radioactive sources.

LGC Global may pay the civil penalty proposed above in accordance with NUREG/BR-0254, “Payment Methods,” and by submitting to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, a statement indicating when and by what method payment was made, or may protest imposition of the civil penalty in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice. Should LGC Global fail to answer within 30 days of the date of this Notice, the NRC will issue an order imposing the civil penalty. Should LGC Global elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an “Answer to a Notice of Violation; (EA-20-113)” and may: (1) deny the violation listed in this Notice, in whole or in part; (2) demonstrate extenuating circumstances; (3) show error in this Notice; or (4) show other reasons why the penalty should not be imposed. In addition to protesting the civil penalty in whole or in part, such answer may request remission or mitigation of the penalty.

In requesting mitigation of the proposed penalty, the response should address the factors addressed in Section 2.3.4 of the Enforcement Policy. Any written answer addressing these factors pursuant to 10 CFR 2.205 should be set forth separately from the statement or explanation provided pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of LGC Global is directed to the other provisions of 10 CFR 2.205 regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty which subsequently has been determined in accordance with the applicable provisions of 10 CFR 2.205 to be due, this matter may be referred to the Attorney General, and the penalty, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282c.

The responses noted above, i.e., Reply to Notice of Violation, Statement as to payment of civil penalty, Answer to a Notice of Violation, and Transfer Information Addressing Notice of Violation should be addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region III, 2443 Warrenville Road, Lisle, Illinois, 60532-4352, and with a copy to the Document Control Center, Washington, DC 20555-0001.

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 Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, or proprietary information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request that such material is withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

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

Dated this 6th day of May 2021