



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

April 19, 2022

Ms. Marci Marot
Radiation Safety Chair
U.S. Department of the Interior
U.S. Geological Survey (USGS)
One Denver Federal Center
Building 810, ENT E-11, MS-205
Denver, Colorado 80225

SUBJECT: NRC INSPECTION REPORT 030-03728/2021-001 AND NOTICE OF VIOLATION

Dear Ms. Marot:

This letter refers to the announced inspection that began remotely on November 2, 2021, and continued at your facility in Denver, Colorado on November 18 and 19, 2021, with continued review through January 31, 2022. The inspection was an examination of activities conducted under your license as they relate to public health and safety, to confirm compliance with the U.S. Nuclear Regulatory Commission's (NRC) rules, regulations, and the conditions of your license. Within these areas, the inspection consisted of a selected examination of procedures and representative records, performance of radiation surveys, and interviews with personnel. The preliminary inspection findings were discussed with you and staff after the conclusion of the onsite portion of the inspection on November 23, 2021, during an inspection debrief meeting conducted on January 31, 2022, and during the final inspection exit meeting on April 6, 2022.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy which is found on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation involved a failure to perform physical inventories as specified in Title 10 Code of Federal Regulations (CFR) Part 74. The violation is cited in the enclosed Notice of Violation (Notice) because it was identified by the NRC.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. Guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful in preparing your response. You can find the Information Notice on the NRC website at: <https://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>

Information regarding the reason for the violations, the corrective actions taken and planned to correct the violations and prevent recurrence, and the date when full compliance will be or was achieved should be addressed. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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, 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 withholding of such information, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (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).

In addition, as described in the NRC letter dated June 11, 2018, found at the NRC's Agencywide Documents Access and Management System (ADAMS) under accession number [ML18163A042](#), the SL-IV violation involving inadequate physical inventories was adequately addressed by the corrective actions taken, and the violation is now considered closed.

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

Should you have any questions regarding this letter or the enclosed Notice, please contact Mr. Jason Dykert at 817-200-1427, or the undersigned at 817-200-1455.

Sincerely,



Signed by Roldan-Otero, Lizette
on 04/19/22

Lizette Roldán-Otero, Ph.D., Chief
Materials Inspection Branch
Division of Radiological Safety and Security

Docket No. 030-03728
License No. 05-01399-08

Enclosure:
Notice of Violation (Notice)

cc w/ Enclosure:
Mr. James Grice
Colorado Department of Public Health
and Environment
HMWM-RAD-B2
4300 Cherry Creek Drive South
Denver, CO 80246-1530

SUBJECT: NRC INSPECTION REPORT 030-03728/2021-001 AND NOTICE OF VIOLATION –
DATED- APRIL 19, 2022

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ADAMS ACCESSION NUMBER: **ML22108A242**

SUNSI Review: Yes ADAMS: Non-Publicly Available Non-Sensitive Keyword:
By: JCD Publicly Available Sensitive

OFFICE	HP:MIB	C:MIB				
NAME	JDykert	LRoldanOtero				
SIGNATURE	/RA/	LRO				
DATE	4-14-22	4-15-22				

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

U.S. Department of the Interior
U.S. Geological Survey (USGS)
Denver, Colorado

Docket No. 030-03728
License No. 05-01399-08

During an NRC inspection that began on November 2, 2021, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 74.13(a) requires, in part, that the licensee prepare and submit an annual Physical Inventory Listing Report as specified in the instructions in NUREG/BR 0007.

The instructions in NUREG/BR 0007 require, in part, that the licensee use DOE/NRC Form 742C to report a facility's physical inventory listing, as of a specified date.

10 CFR 74.4 defines a physical inventory as a determination on a measured basis of the quantity of special nuclear material on hand at a given time.

Contrary to the above, from March 2009 to March 31, 2021, the licensee failed to prepare and submit Physical Inventory Listing Reports as specified in the instructions in NUREG/BR 0007 when reporting a facility's physical inventory listing, as of a specified date. Specifically, the licensee did not validate its initial determination of the amount of unsealed special nuclear material in a Permit 35 uranium calibration set, for each dated inventory, to determine that changes had not occurred.

This is a Severity Level IV violation (Section 6.3.d.3)

Pursuant to the provisions of 10 CFR 2.201, U.S. Department of the Interior U.S. Geological Survey (USGS) is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, U.S. NRC Region IV, 1600 E. Lamar Blvd., Arlington, Texas 76011, and emailed to Lizette.Roldan-Otero@nrc.gov within 30 days of the date of the letter transmitting this Notice of Violation (Notice). The reply should be clearly marked as a "Reply to a Notice of Violation; 030-03728/2021-001" and should include: (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.

Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued requiring information as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

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.

Enclosure

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 withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (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).

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

Dated this 19th day of April 2022