



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

June 2, 2022

EA-22-002

Mr. Patrick Engels
Core Engineering & Consulting, Inc.
PO Box 654
Fort Thompson, SD 57339

SUBJECT: CORE ENGINEERING & CONSULTING, INC. - NOTICE OF VIOLATION, NRC
INSPECTION REPORT 030-37747/2021-001

Dear Mr. Engels:

This letter refers to the inspection conducted on August 30 and 31, 2021, at your facility in Fort Thompson, South Dakota, with continued in-office review through February 25, 2022. The purpose of the inspection was to examine activities conducted under your license as they relate to public health and safety and to confirm compliance with the U.S. Nuclear Regulatory Commission (NRC) rules and regulations and with the conditions of your license. A final exit briefing was conducted telephonically with you on February 25, 2022. Details of the inspection and two apparent violations were provided to you in the subject inspection report, dated February 28, 2022, Agencywide Documents Access and Management System (ADAMS) Accession No. ML22053A292.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violations by either attending a predecisional enforcement conference, requesting alternative dispute resolution, or providing a written response before we made our final enforcement decision. In a letter dated March 30, 2022 (ADAMS Accession No. ML22090A272), you provided a written response to the apparent violation.

Based on the information developed during the inspection and the information you provided in your March 30, 2022, written response to the inspection report, the NRC has determined that two violations of NRC requirements occurred. The violations are cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding them are described in detail in the subject inspection report. The violations involved the failure to: (A) secure a portable gauge from unauthorized removal while not under constant control or surveillance, and (B) confine possession and use of byproduct material to locations authorized on your license.

The NRC considers Violation A to be a significant violation because the failure to secure or maintain constant surveillance of licensed material created the potential for unauthorized removal and overexposure to members of the public. The NRC considers Violation B to be a significant violation because possessing licensed material at a location not approved on the license impacts the NRC's regulatory oversight function to ensure that storage locations are appropriate for storing radioactive material. Therefore, these violations have been categorized in accordance with the NRC Enforcement Policy at Severity Level III. 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 \$8,000 is considered for each Severity Level III violation.

Because your facility has not been the subject of an escalated enforcement action within the last two routine inspections, 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 NRC Enforcement Policy. The NRC has determined that *Corrective Action* credit is warranted based on the prompt and comprehensive corrective actions you implemented. Your corrective actions to address the violations are documented in NRC Inspection Report 030-37747/2021-001 and in your letter dated March 30, 2022.

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 Severity Level III violations constitutes escalated enforcement action that may subject you 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 was achieved is already adequately addressed on the docket in NRC Inspection Report 030-37747/2021-001 and in your letter dated March 30, 2022. 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 Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter, the enclosure, 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 NRC website 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 website at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

If you have any questions concerning this matter, please contact Dr. Lizette Roldán-Otero of my staff, at 817-200-1455.

Sincerely,



Monninger, John signing on behalf
of Morris, Scott
on 06/02/22

Scott A. Morris
Regional Administrator

Docket No. 030-37747
License No. 40-29299-01

Enclosure:
Notice of Violation

cc w/enclosure:
John Priest
South Dakota Department of Health
Licensure & Certification
4101 W. 38th St.
Sioux Falls, SD 57106

Nick Emme
Dept of Environment & Natural Resources
523 East Capital Avenue
Pierre, SD 57501

SUBJECT: CORE ENGINEERING & CONSULTING, INC. - NOTICE OF VIOLATION, NRC INSPECTION REPORT 030-37747/2021-001- DATED JUNE 2, 2022

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Document: [https://usnrc.sharepoint.com/teams/Region-IV-ACES/ACES S Drive/ENFORCEMENT/_EA CASES - OPEN/Core Eng EA-22-002/Final Action/NOV_EA-22-002 Core Engineering.docx](https://usnrc.sharepoint.com/teams/Region-IV-ACES/ACES%20S%20Drive/ENFORCEMENT/_EA%20CASES-OPEN/Core%20Eng%20EA-22-002/Final%20Action/NOV_EA-22-002%20Core%20Engineering.docx)

ADAMS: **ML22146A406**

SUNSI Review		ADAMS	<input checked="" type="checkbox"/> Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive	Keyword:	
By: ACR		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Non-Publicly Available	<input type="checkbox"/> Sensitive	RGN 4-001	
OFFICE	ES:ACES	C:MIB	TL:ACES	RC	D:DRSS	RA
NAME	ARoberts	LRoldanOtero	JGroom	DCylkowski	MMuessle	SMorris
SIGNATURE	/RA/ E	/RA/ E	/RA/ E	/RA/ E	/RA/E	JDM for
DATE	05/12/22	05/12/22	05/13/22	05/19/22	06/01/22	06/02/22

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NOTICE OF VIOLATION

Core Engineering & Consulting, Inc.
Fort Thompson, South Dakota

Docket No. 030-37747
License No. 40-29299-01
EA-22-002

During an NRC inspection and in-office review conducted from August 30, 2021, to February 25, 2022, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. 10 CFR 30.34(i) requires that each portable gauge licensee shall use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee.

10 CFR 20.1801 requires that the licensee shall secure from unauthorized removal or access licensed materials that are stored in controlled or unrestricted areas.

Contrary to the above, on August 30, 2021, the licensee failed to use a minimum of two independent physical controls that form tangible barriers to secure a portable gauge from unauthorized removal when the portable gauge was not under the control and constant surveillance of the licensee and failed to secure from unauthorized removal or access licensed materials that were stored in an unrestricted area. Specifically, an unlocked portable gauge was discovered in the back of an unlocked and unattended sport utility vehicle outside the licensee facility, which was an unrestricted area.

This is a Severity Level III violation (NRC Enforcement Policy Sections 6.3.c.3).

- B. 10 CFR 30.34(c) requires, in part, that each person licensed by the Commission pursuant to the regulations in 10 CFR Part 30 and Parts 31 through 36 and Part 39 shall confine the possession and use of the byproduct material to the locations and purposes authorized in the license.

License Condition 10 of Materials License 40-29299-01, Amendment 2, requires, in part, that licensed material may be used or stored at the licensee's facilities located at: (A) 115 West Beebe Avenue, Chamberlain, South Dakota, 57325; (B) 1603 Locust Street, Yankton, South Dakota, 57078; or (C) at temporary job sites.

Contrary to the above, from approximately March 2020 to November 17, 2021, the licensee failed to confine the possession and use of the byproduct material to the locations and purposes authorized in the license. Specifically, the licensee stored licensed material at 22700 Bad Nation Road, Fort Thompson, South Dakota, 57339, a location of use not authorized on the license. The license was amended on November 18, 2021, to indicate the new storage location of the licensed material.

This is a Severity Level III violation (NRC Enforcement Policy Section 6.3.c.11.b).

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 was achieved is already adequately addressed on the docket in NRC Inspection Report 030-37747/2021-001 and in your letter dated March 30, 2022.

Enclosure

However, if the description therein does not accurately reflect your position or your corrective actions, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 within 30 days of the date of the letter transmitting this Notice of Violation. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation; EA-22-002," 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, U.S. Nuclear Regulatory Commission, Region IV, 1600 East Lamar Blvd., Arlington, Texas 76011-4511, and email it to R4Enforcement@nrc.gov.

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, U.S. 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.

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).

Dated this 2nd day of June 2022