



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

EA-22-090

October 28, 2022

Austin Ridgely, PLS
Vice President
Hampton, Lenzini, and Renwick, Inc.
323 W. 3rd Street
P.O. Box 160
Mt. Carmel, IL 62863

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 150-00012/2022001(DRSS) –
HAMPTON, LENZINI, AND RENWICK, INC.

Dear Austin Ridgely:

On July 12, 2022, an inspector from the U.S. Nuclear Regulatory Commission (NRC) contacted your staff concerning activities involving your possession and use of a portable nuclear gauge in the State of Indiana. The NRC began a special inspection, remotely, on July 12, 2022, with in-office review through October 14, 2022. The purpose of the inspection was to review the activities performed in NRC jurisdiction and to ensure that activities were being performed in accordance with NRC requirements. The in-office review included a review of your portable gauge use logs. The enclosed inspection report presents the results of the inspection.

During this inspection, staff examined your compliance with the NRC's rules and regulations. The inspection consisted of selected examination of records and interviews with personnel.

Based on the results of this inspection, one apparent violation of NRC requirements was identified and is being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The apparent violation concerned your failure to file a submittal for reciprocity before using licensed material in NRC jurisdiction under the terms of an Agreement State license, as required by Title 10 of the *Code of Federal Regulations* (10 CFR) Section 150.20.

Because the NRC has not made a final determination in this matter, the NRC is not issuing a Notice of Violation for this inspection finding at this time. Elizabeth Tindle-Engelmann of my staff discussed the circumstances surrounding this apparent violation, the significance of the issue, and the need for lasting and effective corrective action with you and your staff at the inspection exit meeting on October 14, 2022.

Before the NRC makes its enforcement decision, we are providing you an opportunity to either: (1) respond in writing to the apparent violation addressed in the enclosed report within 30 days of the date of this letter, or (2) request a Predecisional Enforcement Conference (PEC). **Please contact Michael Kunowski, Chief of the Materials Inspection Branch, at 630-829-9618 or Michael.Kunowski@nrc.gov within ten days of the date of this letter to notify the NRC of your intended response.**

If you choose to provide a written response, it should be sent within 30 days of the date of this letter. It should be clearly marked as "Response to the Apparent Violation in Inspection Report No. 150-00012/2022001(DRSS); EA-22-090," and should include, for the apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken to avoid further violations; and (4) the date when full compliance was or will be achieved. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be useful in preparing your response. You can find the information notice on the NRC website at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. Your response should be sent to the NRC's Document Control Desk, Washington, DC 20555-0001, with a copy mailed to the NRC Region III Office, 2443 Warrenville Road, Suite 210, Lisle, Illinois 60532, within 30 days of the date of this letter. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

If you choose to request a PEC, it will afford you the opportunity to provide your perspective on the apparent violation and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the PEC may include the following: information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned to be taken. If a PEC is held, it will be open for public observation, and the NRC will issue a press release to announce the time and date of the conference.

In addition, please be advised that the number and characterization of the apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with the NRC's "Rules of Practice" in 10 CFR 2.390, a copy of this letter, its enclosure, and any response you provide will be made available electronically for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, any response should not include any personal privacy, proprietary, or safeguards information so that it can be made publicly available without redaction.

A. Ridgely

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Please feel free to contact Elizabeth Tindle-Engelmann of my staff if you have any questions regarding this inspection. Elizabeth can be reached 630-829-9681.

Sincerely,



Signed by Curtis, David
on 10/28/22

David Curtis, Director
Division of Radiological Safety and Security

Docket No. 150-00012
License No. IL-01849-01

Enclosure:
Inspection Report No. 150-00012/2022001(DRSS)

cc (w/encl): David Stoneberger, RSO
State of Illinois
State of Indiana

Letter to A. Ridgely from D. Curtis dated October 28, 2022.

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 150-00012/2022001(DRSS) – HAMPTON, LENZINI, AND RENWICK, INC

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| OFFICE | RIII-DRSS | RIII-DRSS | RIII-EICS | OE | RIII-DNMS |
| NAME | ETindle-Engelmann:bw | MKunowski | KLambert fo DBetancourt-Roldan | LSreenivas | DCurtis |
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**U.S. Nuclear Regulatory Commission
Region III**

Docket No. 150-00012

License No. General License under 10 CFR 150.20

State of Illinois License No. IL-01849-01

Report No. 150-00012/2022001(DRSS)

EA No. EA-22-090

Licensee: Hampton, Lenzini, and Renwick, Inc.

Facility: 323 W. 3rd Street
P.O. Box 160
Mt. Carmel, IL 62863

Inspection Dates: Remote inspection July 12, 2022
In-office review through October 14, 2022

Exit Meeting Date: October 14, 2022

Inspector: Elizabeth D. Tindle-Engelmann, Health Physicist

Approved By: Michael A. Kunowski, Chief
Materials Inspection Branch
Division of Radiological Safety and Security

Enclosure

EXECUTIVE SUMMARY

Hampton, Lenzini, and Renwick, Inc. NRC Inspection Report 150-00012/2022001(DRSS)

This was a special inspection of Hampton, Lenzini, and Renwick, Inc. (HLR) that was conducted remotely. HLR maintained an office in Mt. Carmel, Illinois, and possessed a State of Illinois license authorizing the possession and use of portable nuclear gauges containing millicurie quantities of cesium-137 and americium-241/beryllium sealed sources at temporary job sites in the State of Illinois. The scope of the inspection was limited to the review of activities performed in NRC jurisdiction and the licensee's compliance with the requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 150.20. Through the inspection it was determined that the licensee was unaware of the requirements of 10 CFR 150.20 and therefore had worked in the State of Indiana, a non-Agreement State, without fulfilling the requirements of 10 CFR 150.20 in four calendar years.

Based on the results of this inspection, one apparent violation of NRC requirements was identified. Specifically, the licensee failed to file an NRC Form 241 for reciprocity at least three days before working in a non-Agreement State for four calendar years which is an apparent violation of 10 CFR 150.20(b)(1).

Upon identification of the issue, HLR filed a submittal containing the required information prior to scheduling additional work in NRC jurisdiction. The licensee stated that they now understood the requirements for reciprocity with the NRC and intend to file the required submittal each calendar year prior to performing work in NRC jurisdiction.

REPORT DETAILS

1 Program Overview and Inspection History

1.1 Inspection Scope

The scope of this inspection was limited to the review of HLR's work in NRC jurisdiction. The inspector reviewed the licensee's Agreement State specific license and pertinent records. Additional information was gathered through interviews with the licensee's staff and the State of Illinois. The Illinois Emergency Management Agency (IEMA) is the licensing and inspection authority for radioactive material in that Agreement State.

1.2 Observations and Findings

HLR of Mt. Carmel, Illinois was authorized under State of Illinois License Number IL-01849-01 to possess and use portable nuclear gauges containing millicurie quantities of cesium-137 and americium-241:beryllium sealed sources, at temporary job sites in the State of Illinois except in areas of exclusive Federal jurisdiction. The licensee had a Radiation Safety Officer (RSO) who provided radiation safety support and oversight and served as a frequent gauge user.

HLR had no NRC inspection or enforcement history.

2 Use of Licensed Material in NRC Jurisdiction

2.1 Inspection Scope

From July 12, 2022, through October 14, 2022, the inspector remotely reviewed HLR's use of licensed material in NRC jurisdiction and compliance with 10 CFR 150.20. The inspector conducted interviews and reviewed selected records such as NRC records and the licensee's gauge use logs.

2.2 Observations and Findings

On May 11, 2022, the NRC became aware that HLR had performed work in the State of Indiana in 2021 and 2022 but did not have record of filing the require submittal to the NRC regarding the work in Indiana. The licensee had contacted the State of Indiana and obtained a registration documenting the locations of work in the State of Indiana but was unaware of the requirement that it receive approval from the NRC to work in Indiana with radioactive material.

On July 12, 2022, the NRC began a remote inspection to review this matter in detail. A review of NRC records confirmed that HLR had not filed an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," requesting reciprocity for the current year or any year prior, nor did the company have an NRC specific license authorizing activities in NRC jurisdiction.

The NRC inspector contacted IEMA and the HLR RSO. Through the interviews, it was determined that HLR had performed licensed activities in three locations in the State of Indiana (a non-Agreement State) for multiple dates without fulfilling the requirements in 10 CFR 150.20. The licensed activities included using two Troxler Electronics Model

3440 portable nuclear gauges for measuring the moisture and/or density of various materials. The NRC inspector reviewed the licensee's gauge use logs which indicated that they worked in NRC jurisdiction for approximately 35-40 days since 2019. The total number of workdays in each year was as follows: 6-8 days in 2019, 15-16 days in 2020, 9-11 days in 2021, and 5 days so far in 2022. The variance in the number of days worked came from dates when the gauges were checked out for more than 1 day; it is unknown whether the gauge was used for 1 or more days of work during those periods.

10 CFR 150.20(a) provides, in part, that any person who holds a specific license from an Agreement State is granted an NRC general license to conduct the same activity in non-Agreement States, provided that the provisions of 10 CFR 150.20(b) have been met.

10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in non-Agreement States shall, at least three days before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the appropriate NRC regional office. The licensee's failure to file a submittal containing the required information prior to performing work requiring a license for multiple dates between September 13, 2019, and June 28, 2022, is an apparent violation of 10 CFR 150.20(b)(1). Specifically, the licensee used a gauge containing sealed sources of cesium-137 and americium-241 in NRC jurisdiction for approximately 35-40 days during the aforementioned period without requesting reciprocity and paying fees.

The root cause of the violation appears to be a lack of understanding of regulatory requirements. The licensee had the impression that registering their work with the State of Indiana was sufficient and was unaware of the requirements in 10 CFR 150.20.

Corrective and Preventative Actions

Upon identification of the apparent violation the licensee implemented immediate corrective actions as follows: (1) the licensee agreed to not conduct work in NRC jurisdiction until compliance was restored; and (2) on July 13, 2022, the licensee submitted the NRC Form 241 for calendar year 2022, a copy of the State of Illinois specific license, and confirmation of payment of the required fee prior to scheduling additional work in NRC jurisdiction. The submitted Form 241 did not indicate any dates of schedule worked in NRC jurisdiction. However, the licensee was made aware of the requirement to file a change request once dates were scheduled. Additionally, the licensee was made aware of the maximum allowable number of workdays per calendar year in NRC jurisdiction under reciprocal recognition of their Agreement State license would be 180 days minus the 5 days for which work was performed prior to the submittal. Since July 13, 2022, the licensee has appropriately completed change requests to work in the State of Indiana under NRC reciprocity.

The licensee is now aware of the requirement to either file reciprocity with the NRC each calendar year in which they intend to work in NRC jurisdiction or obtain a specific license from the NRC. The licensee understands that a general license, through reciprocity, or a specific license must be obtained prior to performing licensed activities in NRC jurisdiction. The licensee plans to file a reciprocity submittal as required going forward. The licensee's management was made aware of the issue and also supports the intent

to comply with the requirements in 10 CFR 150.20. The licensee affirmed that they now understood the requirements for reciprocity with the NRC.

2.3 Conclusions

The inspector identified an apparent violation of 10 CFR 150.20(b)(1) concerning the licensee's failure to file a submittal for reciprocity during calendar years 2019 through 2022 at least three days prior to performing licensed activities in a non-Agreement State. The licensee has taken corrective actions as described above.

3 **Exit Meeting Summary**

The NRC inspector presented preliminary inspection findings following the remote inspection the week of July 12, 2022. Upon completion of in-office review, a virtual exit meeting was held on October 14, 2022, with the licensee. On both occasions, the licensee committed to implementing corrective actions and actions to prevent recurrence of this issue.

PARTIAL LIST OF PERSONNEL CONTACTED

- # Austin Ridgely, Vice President
- # David Stoneberger, RSO
- # Attended virtual exit meeting on October 14, 2022

LIST OF ACRONYMS AND ABBREVIATIONS USED

| | |
|--------|--|
| HLR | Hampton, Lenzini, and Renwick, Inc. |
| IEMA | Illinois Emergency Management Agency |
| NRC | U.S. Nuclear Regulatory Commission |
| RSO | Radiation Safety Officer |
| 10 CFR | Title 10 of the <i>Code of Federal Regulations</i> |