



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2056 WESTINGS AVENUE, SUITE 400
NAPERVILLE, IL 60563-2657

June 26, 2025

EA-24-079
EAO-RIII-2025-0069

Mary Shepherd
Vice President, Licensing and Special
Projects
J L Shepherd and Associates, Inc.
1010 Arroyo Street
San Fernando, CA 91340

SUBJECT: NOTICE OF VIOLATION; NRC INSPECTION REPORT NOS. 15000004/2023001 (DRSS) AND 15000004/2024001 (DRSS) – J L SHEPHERD AND ASSOCIATES, INC.

Dear Mary Shepherd:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC) inspection conducted on May 20, 2023, August 2, 2023, and May 4-5, 2024, of activities that J L Shepherd and Associates performed in Rochester, Michigan, under the terms of a general license for reciprocity in Title 10 of the *Code of Federal Regulations* (10 CFR) 150.20(a)(1). The purpose of this inspection was to review activities performed under this general license to ensure that activities were being performed in accordance with NRC requirements and your State of California Radioactive Materials License. During the inspection, an apparent violation of NRC requirements was identified. The circumstances surrounding the apparent violation, the significance of the issue, and the need for lasting and effective corrective actions were discussed with you during an exit meeting on February 3, 2025. Inspection Report Nos. 15000004/2023001 (DRSS) and 15000004/2024001 (DRSS) were issued on March 4, 2025, and can be found in the NRC's Agencywide Documents Access and Management System (ADAMS) at accession number ML25037A066. ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violation identified in the report by either attending a predecisional enforcement conference, by attending an alternative dispute resolution (ADR) session, or by providing a written response before we made our final enforcement decision. In letters dated April 14, 2025, (ML25107A069) and May 9, 2025, (non-public) you provided written responses to the apparent violation.

Based on the information developed during the inspection and the information that you provided in your responses to the inspection report dated, April 14, 2025, and May 9, 2025, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection reports. The violation involved your failure to prepare an adequate written plan for the source exchange operation being performed as required by the conditions of the State of California license while engaging in activities under reciprocity as required by 10 CFR 150.20(b)(5).

The failure to prepare an adequate written plan for the source exchange is a significant safety issue as the failure resulted in the misidentification of the location of two sources. While no member of the public or the work crew received a dose in excess of the regulatory limits, the failure could have resulted in a significant radiological hazard to radiation workers and members of the public. Therefore, this violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level III.

In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$9,000 is considered for a Severity Level III violation. Because your facility has not been the subject of an escalated enforcement action within the last two years, 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 Enforcement Policy. Your corrective actions included: (1) revising the procedure for loading, unloading, and reloading irradiators to include explicit steps for loading new sources and for verifying their placement/location; (2) developing and adding a form to the procedure to track source numbers and locations to help ensure source accountability during loading, unloading, and reloading operations; (3) holding a training class for involved personnel on May 7, 2025, that included a review and discussion of Revision 7 of the loading, unloading and reloading procedure; and (4) ceasing offering to reload GR-9 irradiators and only offering to unload them in the future. The NRC has determined that Corrective Action credit is warranted based on the above corrective actions you implemented.

Therefore, to encourage prompt and comprehensive correction of violations, 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 this Severity Level III violation constitutes escalated enforcement action that may subject you to increased inspection effort. The NRC also includes significant enforcement actions on its Website at <https://www.nrc.gov/about-nrc/regulatory/enforcement/current.html>.

The NRC has concluded that information regarding: (1) the reason for the violation; (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 Inspection Reports No. 15000004/2023001 (DRSS) and 15000004/2024001 (DRSS) and your letters dated April 14, 2025, and May 9, 2025. 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 "Agency Rules of Practice and Procedure," a copy of this letter, its enclosure, and your response, if any, will be made available electronically for public inspection in the NRC Public Document Room and 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, proprietary, or safeguards 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).

If you have any questions concerning this matter, please contact Diana Betancourt-Roldan, Enforcement and Investigations Officer, at 630-810-4373.

Sincerely,



Signed by Giessner, Jack
on 06/26/25

John B. Giessner
Regional Administrator

Docket No. 150-00004
License No. CA 1777-19

Enclosure: Notice of Violation

cc w/encl: State of California
State of Michigan

Letter to M. Shepherd from J. Giessner dated June 26, 2025.

SUBJECT: NOTICE OF VIOLATION; NRC INSPECTION REPORT NOS. 15000004/2023001 (DRSS) AND 15000004/2024001 (DRSS) – J L SHEPHERD AND ASSOCIATES, INC.

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OFFICE	RIII-EICS		RIII-DRSS		RIII-DRSS		OE	
NAME	JDraper:bw		RCraffey for REdwards		DCurtis		LSreenivas for JPeralta	
DATE	6/5/2025		6/9/2025		6/9/2025		6/18/2025	
OFFICE	NMSS		OGC for NLO		RIII-EICS		RIII-ORA	
NAME	MBurgess for CEinberg		RAugustus		JDraper for DBetancourt- Roldan		JGiessner	
DATE	6/20/2025		6/26/2025		6/26/2025		6/26/2025	

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

J L Shepherd and Associates, Inc.
San Fernando, California

Docket No. 150-00004
License No. CA 1777-19
EA-24-079
EAO-RIII-2025-0069

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted on May 20, 2023, August 2, 2023, and May 4-5, 2024, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Title 10 of the *Code of Federal Regulations* (10 CFR) 150.20(b)(5) states, in part, that any person engaging in activities in non-Agreement States, in areas of exclusive Federal jurisdiction within Agreement States, or in offshore waters under the general licenses provided in 10 CFR 150.20(a)(1) shall comply with all terms and conditions of the specific license issued by an Agreement State except such terms or conditions as are contrary to the requirements of this section.

Condition 25.d of State of California Radioactive Material License No. 1777-19 dated January 23, 2024, states that a detailed written plan, including operating and emergency procedures based on the nature of the facility, source sizes, and operations to be performed shall be prepared prior to initiating the operation.

Contrary to the above, on May 4-5, 2024, J L Shepherd and Associates did not comply with all terms and conditions of the specific license issued by the State of California, an Agreement State. Specifically, J L Shepherd and Associates did not comply with Condition 25.d of State of California Radioactive Material License No. 1777-19 prior to initiating an irradiator reload operation in Rochester, Michigan, in that the licensee's written plan did not fully address the nature of the operation to be performed. The plan as written was limited to removing old sources from an irradiator and accounting for those removed and failed to address installing new sources and accounting for those installed.

This is a Severity Level III violation (Enforcement Policy Section 6.7).

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved, is already adequately addressed on the docket in Inspection Report Nos. 15000004/2023001 (DRSS) and 15000004/2024001 (DRSS) and the licensee's letters dated April 14, 2025, and May 9, 2025. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation, (EA-24-079/EAO-RIII-2025-0069)", 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, Region III, 2056 Westings Avenue, Suite 400, Naperville, IL 60563 within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

Enclosure

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.

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, proprietary, or safeguards information so that it can be made available to the public without redaction.

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

Dated this 26th day of June 2025.