



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

June 25, 2025

EAF-RIII-2025-0082

Jack Sattelmeier
Director of Geotechnical Engineering
PEA Group
1849 Pond Run
Auburn Hills, MI 48326

SUBJECT: NOTICE OF VIOLATION; NRC ROUTINE INSPECTION REPORT NO.
03033089/2024001 (DRSS) – PEA GROUP

Dear Jack Sattelmeier:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC) inspection conducted on December 10, 2024, at your Auburn Hills, Michigan, facility with continued in-office review through April 4, 2025. The purpose of the inspection was to review activities performed under your NRC license to ensure that activities were being performed in accordance with NRC requirements. During the inspection, three apparent violations of NRC requirements were identified. The circumstances surrounding the apparent violations, the significance of the issues, and the need for lasting and effective corrective actions were discussed with you during a telephone exit meeting on April 4, 2025. Inspection Report No. 03033089/2024001 (DRSS) was issued on May 1, 2025, and can be found in the NRC's Agencywide Documents Access and Management System (ADAMS) at accession number ML25098A175. 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 violations 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 letter dated May 17, 2025, (ML25168A159) you provided a written response to the apparent violations.

Based on the information developed during the inspection and the information that you provided in your response to the inspection report dated May 17, 2025, the NRC has determined that three violations of NRC requirements occurred. The first violation (Violation A) involved the failure to control and maintain constant surveillance of or secure a portable nuclear gauge with two independent physical barriers as required by Title 10 of the *Code of Federal Regulations* (10 CFR) 20.1802 and 10 CFR 30.34(i). The failure to properly secure the gauge from unauthorized removal when it was not under the control and constant surveillance of one of your staff is of significant concern to the NRC because of the potential for unauthorized individuals to gain control of the radioactive material and misuse it. Therefore, this violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level III. The NRC also includes significant enforcement actions on its website at <https://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/index.html>.

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 escalated enforcement actions within the last two 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 Enforcement Policy. Corrective actions included: (1) Immediately taking control of the gauge on December 10, 2024; (2) providing training on April 2, 2025, to field staff who handle gauges; (3) conducting monthly meetings with field staff to ensure safety and quality standards are met; (4) reviewing training slides quarterly with field staff to ensure that all gauge users understand proper handling and security procedures; (5) implementing random inspections by the RSO of gauge users on job sites on a quarterly basis. These audits were expected to begin prior to June 30, 2025.

Based on these actions, the NRC determined that credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process. 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 this Severity Level III violation constitutes an escalated enforcement action that may subject you to increased inspection effort.

The NRC has also determined that two Severity Level IV violations of NRC requirements occurred (Violations B and C). Violation B involved the failure to periodically (at least annually) review the radiation protection program content and implementation as required per 10 CFR 20.1101(c). Violation C involved the failure to provide hazmat employee training every three years as required by 49 CFR 172.704(c)(2). These violations were also evaluated in accordance with the NRC Enforcement Policy. The violations are cited in the enclosed Notice and the circumstances surrounding them are described in detail in the subject inspection report. The violations are cited in the Notice because they were identified by the inspector.

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 will be achieved is already adequately addressed on the docket Inspection Report No. 03033089/2024001 (DRSS) and your letter dated May 17, 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 Officer, at 630-810-4373.

Sincerely,



Signed by Giessner, Jack
on 06/25/25

John B. Giessner
Regional Administrator

Docket No. 030-33089
License No. 21-26476-01

Enclosure: Notice of Violation

cc (w/encl): Brendon Junge, RSO
James Canfield
State of Michigan

Letter to J. Sattelmeier from J. Giessner dated June 25, 2025.

SUBJECT: NOTICE OF VIOLATION; NRC ROUTINE INSPECTION REPORT NO.
03033089/2024001 (DRSS) – PEA GROUP

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NOTICE OF VIOLATION

PEA Group
Auburn Hills, Michigan

Docket No. 030-33089
License No. 21-26476-01
EAF-RIII-2025-0082

During a U.S. Nuclear Regulatory Commission (NRC) inspection conducted on December 10, 2024, violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. Title 10 of the *Code of Federal Regulations* (10 CFR) 20.1802 requires that the licensee control and maintain constant surveillance of licensed material that is in a controlled or unrestricted area and that is not in storage.

Title 10 CFR 30.34(i) requires that each portable gauge licensee 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.

Contrary to the above, on December 10, 2024, the licensee failed to control and maintain constant surveillance of or use a minimum of two physical controls that form tangible barriers to secure a portable moisture density gauge from unauthorized removal. Specifically, a Troxler model 3440 gauge containing 8 mCi of cesium-137 and 40 mCi of americium-241 was left unsecured, with no physical barriers, in the bed of an unlocked running vehicle.

This is a Severity Level III violation (Enforcement Policy Section 6.3)

- B. Title 10 CFR 71.5(a) requires that a licensee who transports licensed material outside of the site of usage, as specified in the NRC license, or where transport is on public highways, or who delivers licensed material to a carrier for transport, comply with the applicable requirements of the regulations appropriate to the mode of transport of the Department of Transportation (DOT) in 49 CFR Parts 107, 171-180, and 390-397.

Title 49 CFR 172.702 requires that each hazmat employer shall ensure that each hazmat employee is trained and tested, and that no hazmat employee performs any function subject to the requirements of 49 CFR Parts 171-177 unless trained, in accordance with Subpart H of 49 CFR Part 172. The terms Hazmat Employer and Hazmat Employee are defined in 49 CFR 171.8.

Title 49 CFR 172.704(c)(2) requires, in part, that a hazmat employee receive the training required by Subpart H of 49 CFR Part 172 at least once every three years.

Contrary to the above, from August 4 to December 10, 2024, the licensee did not provide hazmat employees training required by Subpart H to 49 CFR Part 172 at least once every three years, and the licensee otherwise met the definition of a hazmat employer in 49 CFR 171.8. Specifically, three gauge users had their hazmat training expire on August 4, 2024; however, they continued transporting licensed material on public highways.

This is a Severity Level IV violation (Enforcement Policy Section 6.3)

Enclosure

- C. Title 10 CFR 20.1101(c) requires that the licensee shall periodically (at least annually) review the radiation protection program content and implementation.

Contrary to the above, from 2022 through December 10, 2024, a period of more than one year, the licensee failed to review the radiation protection program content and implementation.

This is a Severity Level IV violation (Enforcement Policy Section 6.3)

The NRC has concluded that 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 was achieved, is already adequately addressed on the docket in Inspection Report No. 03033089/2024001 (DRSS) and the licensee's letter dated May 17, 2025. However, the licensee is required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect its corrective actions or position. In that case, or if the licensee chooses to respond, the licensee should clearly mark its response as a "Reply to a Notice of Violation, (EAF-RIII-2025-0082)," 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, Naperville, IL 60563 within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If the licensee contests this enforcement action, the licensee should also provide a copy of its response, with the basis for its denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

If the licensee chooses to respond, its 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 <https://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, the licensee may be required to post this Notice within two working days of receipt.

Dated this 25th day of June 2025.