



NRC NEWS

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NRC PROPOSES \$19,200 CIVIL PENALTY AGAINST CALIFORNIA FIRM FOR FALSIFIED INSPECTION REPORT

The Nuclear Regulatory Commission has proposed a civil penalty of \$19,200 against Alpha Omega Services, Inc., (AOS) of Bellflower, Calif., and barred the company president from NRC-licensed activity for deliberately falsifying an inspection report on a package used for transporting radioactive materials.

A notice of violation issued Dec. 19 charges AOS with two counts of deliberate misconduct for providing false information to an NRC licensee and its contractor in January 2003 by stating in a report of an inspection that the transportation package met NRC requirements even though the company knew the package had been modified and no longer met the specifications in its Certificate of Compliance from the NRC.

As a result of the falsified information, an NRC licensee made at least three exports of radioactive material outside of the country in violation of NRC and U.S. Department of Transportation regulations. While the NRC is not aware of actual safety consequences associated with the shipments, the potential safety consequences were significant, considering the potential adverse impact of shipping radioactive materials in the modified and unapproved package design that no longer met transportation package approval standards for both normal and hypothetical accident conditions.

An order accompanying the notice of violation bars Cary W. Hedger, AOS president and radiation safety officer, from NRC-licensed activities for three years. Hedger was the company's operations officer in 2003 when he filled out the false inspection report.

The modified package was identified during an NRC inspection of the AOS facility in November 2004. An investigation by NRC's Office of Investigations led to the

recent NRC enforcement actions in coordination with the U.S. Department of Transportation and the U.S. Department of Justice.

The NRC has determined this to be a Severity Level II violation, the second-most serious of four levels of safety significance. The company has 20 days to accept the civil penalty or challenge the agency's determination.

The enforcement actions against AOS are posted on the NRC Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/current.html#materials>.

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