



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
REGION I  
475 ALLENDALE RD, SUITE 102  
KING OF PRUSSIA, PA 19406-1415

July 13, 2023

EA-23-041

John R. Matschner, Jr.  
President and Radiation Safety Officer  
JENDCO Corporation  
368 Butler Street  
Pittsburgh, PA 15223

**SUBJECT: NOTICE OF VIOLATION – JENDCO CORPORATION, NRC INSPECTION  
REPORT NO. 999-90009/2023001**

Dear John Matschner:

This letter refers to the inspection of JENDCO Corporation (JENDCO) conducted by the U.S. Nuclear Regulatory Commission (NRC) on January 25, 2023, with in-office review through April 11, 2023. The purpose of the inspection was to examine the activities conducted within the jurisdiction of the NRC as they related to NRC-licensed byproduct material. Within this area, the inspection consisted of a selected examination of procedures and representative records and interviews with you. Based on the results of the inspection, the NRC identified one apparent violation (AV) of NRC requirements. The NRC discussed the AV with you during a telephonic exit meeting on May 2, 2023. The AV was described in the NRC inspection report sent to you with a letter dated May 8, 2023 (ML23103A073).<sup>1</sup>

The AV involved JENDCO's failure to file for reciprocity or receive a specific license from the NRC prior to performing work in NRC jurisdiction. Specifically, on multiple occasions between March 10, 2022, and December 22, 2022, JENDCO performed service provider activities on specifically-licensed fixed nuclear gauges for clients in West Virginia, a non-Agreement State, without either receiving a general license for reciprocity with its Commonwealth of Pennsylvania radioactive materials license or receiving an equivalent specific license from the NRC.

In the May 8, 2023, letter transmitting the inspection report, we informed you that the AV was being considered for escalated enforcement action. We provided you with the opportunity to address the apparent violation identified in the report by either attending a pre-decisional enforcement conference or by providing a written response before we made our final enforcement decision. In letters dated June 5, 2023 (ML23159A030), and June 26, 2023 (ML23179A016), you provided a response to the AV and described the actions taken and planned by JENDCO to address the issues that resulted in the AV and prevent reoccurrence. These actions included committing to applying for reciprocity with the appropriate State or the NRC prior to engaging in licensed activities involving byproduct material and creating calendar and invoice reminders to ensure continued compliance. Based on the information developed during the inspection and the information provided in JENDCO's responses from June 5, 2023,

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<sup>1</sup> Designation in parentheses refers to an Agency-wide Documents Access and Management System (ADAMS) accession number. Documents referenced in this letter are publicly-available using the accession number in ADAMS.

and June 26, 2023, the NRC determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation and the circumstances surrounding it are described in detail in the subject inspection report.

As described above, the violation is related to the failure to file for reciprocity or receive a specific license from the NRC prior to performing work in NRC jurisdiction. The NRC considers the failure to file for reciprocity a significant regulatory concern because the NRC was not informed of the activities occurring in NRC jurisdiction and therefore, was not provided an opportunity to conduct inspections of licensed activities. Therefore, this violation is categorized in accordance with the NRC Enforcement Policy as a Severity Level III (SL III) violation. The NRC 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 \$8,750 is considered for a SL III violation. Because JENDCO has not been the subject of escalated enforcement actions 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. The NRC has concluded that credit is warranted for JENDCO's corrective actions taken to address the violation. Specifically, as described above, JENDCO committed to apply for reciprocity prior to engaging in licensed activities involving byproduct material and developed recurring reminders to ensure continued compliance. Therefore, to encourage prompt and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, after consultation with the Director, Office of Enforcement, I have been authorized 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 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 Report No. 99990009/2023001, and in letters from JENDCO Corporation dated June 5, 2023, and June 26, 2023. 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, its enclosure, and your response, if one is provided, will be made available electronically for public inspection in the NRC Public Document Room and from the NRC's Agency-wide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. The NRC also includes significant enforcement actions on its Web site at <https://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>.

J. Matschner, Jr.

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If you have any questions concerning this matter, please contact Christopher Cahill of my staff at 610-337-5108 or [Christopher.Cahill@nrc.gov](mailto:Christopher.Cahill@nrc.gov).

Sincerely,

Raymond K. Lorson  
Regional Administrator

Enclosure:  
Notice of Violation

Docket No. 999-90009  
License No. PA-1246

cc (w/Enclosure):  
State of West Virginia  
Commonwealth of Pennsylvania

SUBJECT: NOTICE OF VIOLATION – JENDCO CORPORATION, NRC INSPECTION  
 REPORT NO. 99990009/2023001: July 13, 2023

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## ENCLOSURE

### NOTICE OF VIOLATION

JENDCO Corporation  
Pittsburgh, Pennsylvania

Docket No.: 999-90009  
License No.: PA-1246  
EA-23-041

During an NRC inspection conducted on January 25, 2023, with in-office review through April 11, 2023, and for which an exit meeting was conducted on May 2, 2023, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.3 requires, in part, that no person shall manufacture, produce, transfer, receive, acquire, own, possess, or use byproduct material except as authorized in a specific license issued in accordance with the regulations in 10 CFR Chapter I.

10 CFR 150.20(a)(1) states, in part, that any person who holds a specific license from an Agreement State is granted a general license to conduct the same activity in non-Agreement States subject to the provisions of 10 CFR 150.20(b).

10 CFR 150.20(b) requires, in part, that any person engaging in activities in non-Agreement States, at least 3 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 U.S. Nuclear Regulatory Commission Regional Office.

Contrary to the above, on multiple occasions from at least March 10, 2022, to December 22, 2022, JENDCO Corporation, which was authorized for possession and use of radioactive material under a specific license issued by the Commonwealth of Pennsylvania, performed service provider activities without either (1) possessing a general license by filing for reciprocity with its Agreement State license or (2) possessing a commensurate specific license issued by the NRC under 10 CFR Part 30. Specifically, JENDCO Corporation performed installation, source alignment, initial radiation survey, and leak test collection and analysis on fixed nuclear gauges possessed under six third-party's specific NRC licenses at locations within non-Agreement states and did not submit an NRC Form 241 (or equivalent) or obtain an NRC license for these activities. In addition, the NRC evaluated whether the general license granted under 10 CFR 31.6 applied and determined that the fixed gauges in question were distributed to and possessed under the authority of a specific NRC license, and therefore the general license granted under 10 CFR 31.6 did not apply.

This is a Severity Level III Violation (NRC Enforcement Policy Section 6.9).

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 No. 99990009/2023001 and in letters from JENDCO Corporation dated June 5, 2023, and June 26, 2023. 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

Enclosure

a "Reply to a Notice of Violation, (EA-23-041)," 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 I within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you 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 Web site 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 13<sup>th</sup> day of July, 2023.