



Department of Energy

Washington, DC 20585

May 21, 2007

Dr. Stephen M. Younger
President and General Manager
National Security Technologies, LLC.
P.O. Box 98521 M/S NSF001
Las Vegas, NV 89030-4991

Subject: Enforcement Letter

Dear Dr. Younger:

The Department of Energy's Office of Enforcement conducted an evaluation of the deficiencies described in Noncompliance Tracking System (NTS) Report NTS-NSO--NST-NTS-2007-0001. Our evaluation included review of the associated independent assessment report, causal analysis, corrective action plan, and Preliminary Documented Safety Analysis, as well as discussion with National Security Technologies, LLC. (NSTec) site personnel. Based on our evaluation, we have concluded that violations of 10 CFR 830.120 (Quality Assurance Requirements) occurred in association with the design and construction of the Rad/NucCTEC nuclear facility.

The NTS report described a programmatic breakdown in your nuclear safety quality assurance requirements associated with the design and construction of the Radiological/Nuclear Countermeasures Test and Evaluation Complex (Rad/NucCTEC), a Hazard Category 2 nuclear facility. The purpose of this facility is to test and evaluate new and existing equipment, technologies, and techniques associated with detecting illicit transportation of radioactive materials for the Department of Homeland Security. Based on quality concerns identified through management assessments, material control issues, and nonconformance reports, NSTec conducted an independent assessment at the Rad/NucCTEC project to assess the implementation of nuclear safety quality assurance requirements and the adequacy of work performed. Some of the more significant issues identified in the assessment include the need for the following management actions:

- Ensure that all personnel working on or supporting Quality Grade 1 activities are trained and/or qualified to understand quality assurance principles and processes.
- Identify deficiencies/issues, and where necessary ensure their associated corrective actions, are reported, entered into the company-wide issues tracking system, and corrected in a timely manner.

- Ensure that nonconformances are evaluated to prevent recurrence.
- Implement a process for identifying and authenticating quality records.
- Ensure that work processes and work packages implement all Quality Assurance Requirements Document (QARD) requirements.
- Complete design verifications before using the design output documentation.
- Ensure that suppliers can meet QARD requirements to provide acceptable Quality Grade 1 items and services.
- Implement administrative controls to prevent the bypassing of required inspections and tests.

The independent assessment report concluded that the Rad/NucCTEC project's implementation of nuclear safety quality assurance requirements was ineffective in meeting criteria 2 through 9 of your QARD.

Based on our evaluation we have concluded that violations of 10 CFR 830.120 (Quality Assurance Requirements) occurred in association with the design and construction of the Rad/NucCTEC nuclear facility.

The Office of Enforcement recognizes that a proactive and comprehensive quality assurance independent assessment was undertaken at the Rad/NucCTEC project once there were indications that quality affecting problems may be more programmatic in nature. Further, we recognize that some of these issues may very well have been prevalent before NSTec assumed responsibilities as the primary management and operating contractor for the Rad/NucCTEC project in July 2006. Finally, the Rad/NucCTEC project is currently experiencing funding shortfalls, and construction activities have ceased until additional fiscal resources are restored. This delay provides NSTec the time to fully implement corrective actions and evaluate their effectiveness.

Our office views the programmatic failures in the Rad/NucCTEC project quality assurance program as a serious nuclear safety issue that requires your prompt attention prior to resumption of construction activities. However, in light of NSTec's proactive identification of the quality assurance deficiencies at the Rad/NucCTEC project, and in consideration of the comprehensive scope of your assessment report and corrective actions, the Office of Enforcement has determined that no formal enforcement action will be taken by our office at this time.

In conjunction with the National Nuclear Security Administration, Nevada Site Office, we will continue to monitor NSTec's initiatives to improve your quality assurance performance at the Rad/NucCTEC project.

No response to this letter is required. Should you have any questions, please contact me at (301) 903-2178 or have your staff contact Mr. Peter Rodrik at (301) 903-5092.

Sincerely,


for

Arnold E. Guevara
Director
Office of Enforcement
Office of Health, Safety and Security

cc: Al Ogurek, NSTec Enforcement Coordinator