



NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

Office of Public Affairs Telephone: 301/415-8200

Washington, D.C. 20555-0001

E-mail: opa@nrc.gov

Site: <http://www.nrc.gov>

No. 08-165

September 9, 2008

NRC PERMANENTLY BARS CONTRACTOR FROM MANY ACTIVITIES, RESTRICTS OTHER NRC-LICENSED FUNCTIONS

The Nuclear Regulatory Commission has issued an Order to a nuclear materials contractor permanently prohibiting him from any work related to packaging and transporting so-called "Type B" nuclear materials. The agency issued the immediately effective Order, which also places restrictions on other NRC-regulated activities for five years, following the contractor's plea agreement with the U.S. Department of Justice.

NRC officials said Joseph S. Shepherd, a contractor for Source Production and Equipment Company (SPEC), which supplies industrial gamma radiography equipment, repeatedly and deliberately provided inaccurate information regarding modifications to, and inspections of, a shipping container for radioactive material. Specifically, Shepherd told the NRC in 2005 that he had authorized modifications to the container, invalidating its status as an NRC-approved package. Shepherd repeatedly told both SPEC and the NRC the container had been properly inspected, but NRC investigators determined the inspections were incomplete or not performed by a qualified inspector.

"The NRC can no longer rely on Mr. Shepherd complying with our rules for Type B packages, so we've barred him from working in that area," said Cynthia Carpenter, Director of the NRC's Office of Enforcement. "While no one was harmed by his actions in this case, altering the integrity of a shipping package for significant amounts of radioactive material was inexcusable."

The Order and the DOJ agreement require Shepherd, over the next five years, to take several actions before he can perform other NRC-regulated activities, including:

- Notifying the NRC, in writing, before doing such work so that the agency can perform proper inspections;
- Notifying his customers of the Order; and
- Completing Radiation Safety Officer training, focusing on the importance of meeting NRC and U.S. Department of Transportation regulations.

The Order will be available on the NRC's Web site at: <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/individuals/>.

###

News releases are available through a free *listserv* subscription at the following Web address: <http://www.nrc.gov/public-involve/listserver.html>. The NRC homepage at www.nrc.gov also offers a SUBSCRIBE link. E-mail notifications are sent to subscribers when news releases are posted to NRC's Web site.