



UNITED STATES  
**NUCLEAR REGULATORY COMMISSION**  
REGION I  
475 ALLENDALE ROAD  
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

June 11, 2003

Docket No. 99990001  
EA 03-117

General License

Bill Hoff  
Site Manager  
Coates Electrographics  
1160A Fahs Street  
York, PA 17404

SUBJECT: INSPECTION 99990001/2003001, COATES ELECTROGRAPHICS, YORK,  
PENNSYLVANIA

Dear Mr. Hoff:

On April 29, 2003, Jenny Johansen of this office conducted a safety inspection at the above address of activities involving the possession of three Kay-Ray Sensall Model 7062B gauges, each containing 10 millicuries of cesium-137. The inspection was an examination of your activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selected examination of representative records. Additional information provided in your communications dated May 7, 9, and 15, 2003 were also examined as part of the inspection. The findings of the inspection were discussed with Paul R. Clothier, Sheridan Warner and you at the conclusion of the inspection. The enclosed report presents the results of this inspection.

Based on the results of this inspection, an apparent violation of 10 CFR 30.3 and Part 31 was identified. This violation involves the possession of three Kay-Ray Model 7062B gauges each containing 10 millicuries of cesium-137 without a valid NRC license, and Coates was not exempt from the requirements for a license. 10 CFR 30.3 requires, in part, that except for persons exempted, no person shall possess or use byproduct material except as authorized by a specific or general license issued pursuant to Title 10, Chapter 1, Code of Federal Regulations. Coates was not a general licensee as provided in 10 CFR 31.5 because they did not receive the gauge in accordance with the requirements of that part.

This is a violation of NRC requirements; however, after careful consideration of the factors involved in this specific instance and in accordance with the Interim Enforcement Policy for Generally Licensed Devices, EGM 99-005 (Revised), dated April 27, 2001, the NRC has determined that enforcement action will not be taken where a general licensee transfers a generally licensed device to an unauthorized recipient and, after learning of the necessary licensing requirements, the unauthorized recipient takes prompt action to either obtain an appropriate specific license for possession and/or use of the device, obtains compliance with the requirements of the general license, or transfers the device to an authorized licensee.

Coates obtained the gauges as part of the purchase of the toner division of Turbon International on June 1, 2001. Once informed of the possession of the gauges during the inspection, Coates

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took immediate corrective action by placing the gauges into secured storage until the gauges were leak tested and disposed of on May 14, 2003. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions of your position.

In accordance with 10 CFR 2.790, a copy of this letter will be placed in the NRC Public Document Room and will be accessible from the NRC Web site at <http://www.nrc.gov/reading-rm.html>.

Your cooperation with us is appreciated.

Sincerely,

***Original signed by John D. Kinneman***

John D. Kinneman, Chief  
Nuclear Materials Safety Branch 2  
Division of Nuclear Materials Safety

Enclosure:  
Inspection Report No. 99990001/2003001

cc:  
Commonwealth of Pennsylvania

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