



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

June 23, 2003

Docket No. 99990001

General Licensee

Mr. S. Pepper  
President  
Pepper Environmental Services, Inc.  
2251 Fraley Street  
Philadelphia, PA 19137

**SUBJECT: GENERALLY LICENSED DEVICE CONTAINING KRYPTON-85 AND THREE  
EXIT SIGNS CONTAINING TRITIUM**

Dear Mr. Pepper:

On February 7, 2002, Leanne M. Harrison and Judith A. Joustra of this office conducted a safety inspection at the Aldan Rubber Company, 2701 East Tioga Street, Philadelphia, Pennsylvania and the S.D. Richman and Sons, Inc., 2435 Wheatsheaf Lane, Philadelphia, Pennsylvania of activities authorized by the general license contained in 10 CFR 31.5. Additional information was obtained on various dates including February 13, 2002, March 21, 2002 and June 7, 2003. The inspection included a review of the disposition of generally licensed (GL) devices containing byproduct material.

The purpose of this letter is to obtain a formal response regarding proper disposition of a generally-licensed thickness-density gauge containing byproduct material that was originally shipped to Aldan Rubber Company at 2701 East Tioga Street, Philadelphia, PA and is currently being stored at S.D. Richman and Sons, Inc., Philadelphia, PA. In addition, we need information concerning the status of three generally licensed exit signs containing tritium manufactured by Brandhurst, Inc. which were also installed at the East Tioga Street address.

The gauge, an Indev Model No. 015030 contained 190 millicuries of krypton-85 and was shipped by the Barber Colman Company to Aldan Rubber in 1985. In late March or early April 2001 Aldan Rubber sold some of the operational equipment to Aldan Acquisitions, Co., and late in October 2001 or early in November 2001 the building at 2701 East Tioga and the remaining contents including a Vinyl Machine with the associated Indev gauge, were sold to Pepper Environmental Services, Inc. Discussions with the previous property owner indicate that the Indev gauge and three exit signs containing tritium were installed at that location when the facility was transferred to Pepper Environmental Services, Inc.

This issue came to our attention when a damaged gauge containing radioactive material was found at S.D. Richman and Sons, a scrap metal dealer in Philadelphia in February 2002. The label on the gauge indicated that the gauge originally contained 190 millicuries of krypton-85. The serial number was traced and we found that the gauge had been installed at 2701 East Tioga Street, Philadelphia, PA. On February 7, 2002, two NRC inspectors toured the East Tioga Street property and were told that it had been under renovation since approximately October 2001. In addition, Mr. Armbruster of your staff informed the inspectors that scrap

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S. Pepper  
Pepper Environmental Services, Inc.

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metal had been removed from the Tioga Street facility by Pepper Environmental and taken to the Richman facility.

The apparent disposal of the gauge and the three exit signs containing tritium by Pepper Environmental is an apparent violation of NRC regulations (10 CFR 31.5) which requires that devices containing radioactive material may only be disposed of by transfer to an authorized individual. Such a violation may result in enforcement action against Pepper Environmental Services, Inc. including a Notice of Violation and imposition of a civil penalty. Enclosed is a copy of the NRC's General Statement of Policy and Procedure for NRC Enforcement Actions (Enforcement Policy). Since we believe that this disposal was not intentional, it is likely we will not take enforcement action if the gauge currently stored at S.D. Richman and Sons is disposed of properly and reasonable efforts are made to locate and properly dispose of the exit signs. However, despite numerous attempts to obtain information from yourself or Mr. Armbruster, we have been unable to get agreement to dispose of the gauge from Pepper Environmental Services, Incorporated. Information regarding appropriate disposal methods for the gauge including authorized waste brokers were provided to Mr. Armbruster in a February 25, 2002, telephone conversation with Ms. J. Joustra of my staff.

You are required to submit a written response within thirty (30) days of the date of this letter describing your plans in this matter including your plans for properly disposing of the gauge and to find and properly dispose of the three tritium exit signs. Include in your response the name of the authorized waste broker you have contracted to dispose of the gauge and the proposed date of disposal. If you fail to respond to this letter, we will consider what enforcement action is appropriate.

In accordance with 10 CFR 2.790, a copy of this letter, its enclosures, and your response (if you choose to provide one) will be placed in the NRC Public Document Room (PDR) and will be accessible from the NRC Web site at <http://www.nrc.gov/reading-rm.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

If you have any questions, please contact either Ms. Judy Joustra of my staff, at (610) 337-5355 or Ms. Leanne Harrison, at (610) 337-6926.

Thank you for your cooperation.

Sincerely,

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

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

Enclosures:

S. Pepper  
Pepper Environmental Services, Inc.

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1. Enforcement Policy
2. 10 CFR Part 31

cc:  
W. Armbruster, General Manager

S. Pepper  
Pepper Environmental Services, Inc.

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