

APR 25 1991

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Kenneth Berlin, Esq.
Winthrop, Stimson, Putnam & Roberts
1133 Connecticut Avenue, N.W.
Washington, D.C. 20036

EA 90-158

Dear Mr. Berlin:

This is in response to your letter dated April 22, 1991, on behalf of your client, Sequoyah Fuels Corporation, in which you requested a meeting, apparently not to present any new material information, but just "to discuss the OI report before it is finalized, and before any summary of the report is released." You indicated a willingness to make such a meeting part of an enforcement conference.

It would not be consistent with NRC policy for the staff to meet with licensee representatives to discuss draft inspection or investigation reports. However, once such reports are issued in final form and if the staff has learned of the existence of one or more potential violations for which a civil penalty or other escalated enforcement action may be warranted, the staff will normally hold an enforcement conference with licensee representatives prior to taking enforcement action.

The purpose of an enforcement conference is to (1) discuss the violations, their significance and causes, and the licensee's corrective actions, (2) determine whether there are any aggravating or mitigating circumstances, and (3) obtain information which will help determine the appropriate enforcement action.

When needed to protect the public health and safety or common defense and security, escalated enforcement action, such as the issuance of an immediately effective order modifying suspending, or revoking a license, will be taken prior to an enforcement conference. In such cases, an enforcement conference may be held after the escalated enforcement action is taken.

If an enforcement conference should be appropriate with regards to the matters presently under inspection and investigation at the Sequoyah Fuels facility, your client will be given reasonable notice. We will be happy to discuss all related matters of an appropriate nature at that time.

Sincerely,

ORIGINAL SIGNED BY
ROBERT D. MARTIN

9301050299 920626
PDR FOIA
CURRAN92-204 PDR

Robert D. Martin
Regional Administrator

cc: R. Graves, SFC

bcc: [redacted]
J. Lieberman, CE
B. Hayes, OI
R. Cunningham, NMSS
R. Martin, A. Beach, B. Brown,
G. Sanborn, D. Driskill

930105 0299

*PREVIOUS CONCURRENCE

RIV:RC

EO

DRA

RA

*WLBrown:cms

*GFSanborn

*JMMontgomery

*RDMartin

AI:91-168

HQ:D/OE

JLieberman

D/OI

BBHayes

6-1

MEMORANDUM FOR: Charles J. Haughney, Chief
Fuel Cycle Safety Branch, NMSS

FROM: William L. Brown
Regional Counsel

SUBJECT: INCOMPLETE AND INACCURATE INFORMATION IN
FINANCIAL STATEMENTS SUBMITTED BY SFC

As a follow-up to our telecon on April 25, I have been informed by Merri Horn of your staff that some of the information furnished the NRC in the recently submitted financial statements prepared for Sequoyah Fuels by Price Waterhouse is incomplete and inaccurate. Specifically, the reports state that Sequoyah Fuels International Corporation (SFIC) is the licensee. However, Ms. Horn informed me that Sequoyah Fuels Corporation (SFC) received approval for a license transfer to a newly incorporated subsidiary corporation which was given the same name in late 1989. The parent company, the former licensee, then changed its name to SFIC. The financial statements are clearly in error.

Since the licensee is responsible for providing complete and accurate information pursuant to 10 CFR 30.9, I recommend that they be required to have their financial statements appropriately revised. This will certainly prevent confusion by future reviewers of the statements. In addition to the inaccuracy of their narrative sections, I noted that the report for SFIC was a consolidated report for both SFIC and SFC making it impossible to tell the true financial condition of the licensee which would seem to greatly diminish the value of the report to the NRC.

ORIGINAL SIGNED BY
WILLIAM L. BROWN

William L. Brown
Regional Counsel

cc: R. Martin

bcc:

J. Montgomery
A. Beach
R. Fonner, OGC
S. Uttal, OGC

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RIV:RC

W. L. BROWN:cms

10/1/91

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

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OCT 04 1991


Docket No. 40-8027
License No. SUB-1010
EA 91-067

MEMORANDUM FOR: Michael T. Lesar, Acting Chief
Rules Review Section
Regulatory Publication Branch

FROM: Edward T. Baker, Deputy Director
Office of Enforcement

SUBJECT: ORDER MODIFYING LICENSE (EFFECTIVE IMMEDIATELY) AND DEMAND
FOR INFORMATION
Sequoyah Fuels Corporation, Gore, Oklahoma

A signed original of an Order Imposing Civil Monetary Penalties issued to Sequoyah Fuels Corporation, Gore, Oklahoma on October 3, 1991 is enclosed for your transmittal to the Office of the Federal Register for publication. Additional conformed copies (5) of the Order are enclosed for your use.


Edward T. Baker, Deputy Director
Office of Enforcement

Enclosure: As stated

cc: J. Goldberg, OGC

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