

JUL 22 1985

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Eli Lilly and Company
ATTN: Martha Bhatti, Ph.D.
Corporate Radiation
Safety Officer
307 East McCarty Street
Indianapolis, IN 46285

License No. 13-01133-02
License No. 13-01133-04

30-04330
17204

Gentlemen:

This refers to the routine safety inspection conducted by Ms. T. Simmons and Messrs. W. J. Slawinski, D. J. Sreniawski, and J. Mullauer of this office on June 25 and 26, 1985, of activities authorized by NRC Byproduct Material Licenses No. 13-01133-02 and No. 13-01133-04 and to the discussion of our findings with you, Jerry Mann, Ph.D., Paul DeMarco, Ph.D. and other Eli Lilly staff members at the conclusion of the site inspection and to the telephone conversations with you on July 8 and 10, 1985.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and with the conditions of your license. The inspection consisted of a selective examination of procedures and representative records, observations, independent measurements, and interviews with personnel.

In addition to the above areas, the inspectors examined actions described in your letter dated March 23, 1982, regarding apparent items of noncompliance found during our February 25 and 26, 1982 inspection. We have no further questions regarding Item No. 2 of the February 25 and 26, 1982 inspection. However, Item No. 1 of the February 1982 inspection is a repeat item of noncompliance and is identified in Item No. 1 of the enclosed Appendix.

No items of noncompliance with NRC requirements were identified during the course of this inspection of License No. 13-01133-04. However, certain of your activities under License No. 13-01133-02 appeared to be in noncompliance with NRC requirements, as specified in the enclosed Appendix. A written response is required.

In your response to Item No. 1, please describe why your proposed corrective action is expected to be more successful in preventing future noncompliance than the corrective action specified in your March 23, 1982 letter.

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During the discussions at the conclusion of the inspection, our inspectors expressed concern that laboratory areas found contaminated during routine monthly radiation safety surveys, do not appear to be decontaminated and resurveyed expeditiously. The inspectors noted a few instances in 1984 and 1985 where the Radiation Safety Offices recommended remedial actions, as described in your "Laboratory Survey System Result Form", were not heeded by research laboratories for up to six months. Laboratories in which contamination exceeding action levels is found, should be decontaminated and resurveyed immediately. Please describe what actions you plan to take regarding this concern.

The matter relating to the transfer of a cesium-137 level gauge from your Clinton, Indiana site to Kay Ray, Inc. in January 1984, is considered open at this time. The issue will be the subject of an upcoming site inspection at the Clinton facility.

The responses directed by this letter (and the accompanying Notice) are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,



W. L. Axelson, Chief
Nuclear Materials Safety
and Safeguards Branch

Enclosure: Appendix,
Notice of Violation

cc w/enclosure:
DMB/Document Control Desk (RIDS)

RIII
yes
W.A.S.
Slawinski/jp
07/12/85
7/16/85

RIII
DS
Simmons for

RIII
yes
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Srenian
7/18

RIII
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Axelson
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