



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

DCS
PDR

October 16, 1996

EA 96-353

Mr. Robert G. Gallagher, P.E., CHP
President and CEO
Applied Health Physics, Inc.
2986 Industrial Boulevard
Bethel Park, Pennsylvania 15102

SUBJECT: NRC EVALUATION OF APPLIED HEALTH PHYSICS' REQUEST FOR ASSISTANCE

Dear Mr. Gallagher:

This responds to Applied Health Physics, Inc.'s (AHP's) letter dated October 10, 1996, which described both the direct and indirect impacts from the U. S. Internal Revenue Service (IRS) seizure of AHP's bank accounts. In addition, AHP's letter requested assistance from the NRC in resolving this matter because the sudden seizure created a "catastrophic situation for AHP in terms of regulatory compliance, radioactive waste disposal commitments, client obligations, and employee compensation."

Your concerns relate primarily to the financial consequences of your continued tax liabilities and the actions of the IRS. While we desire that this matter be resolved, it would be inappropriate for the NRC to interject itself into your relationship with the IRS. Therefore, the NRC does not plan to attend the October 17, 1996 meeting between the IRS and AHP. You should note, however, that during a telephone discussion on September 26, 1996, the NRC informed the IRS of the purpose of the escrow account and of the Confirmatory Order dated March 29, 1996.

The NRC appreciates your informing us of the status of this matter and urges you to settle it as soon as possible.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be placed in the NRC Public Document Room.

Sincerely,

James Lieberman, Director
Office of Enforcement

Docket Nos. 030-10859; 030-06198
License Nos. 37-14600-01; 37-09135-01

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Applied Health Physics, Inc.

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