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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARLETTA STREET, N.W., SUITE 2600
ATLANTA, GEORGIA 30323-0196

July 12, 1996

Mr. John Cox
Oxford Instruments
601 Oak Ridge Turnpike
Oak Ridge, TN 37830

SUBJECT: RII-96-A-0071 - REDISTRIBUTION OF CHECK SOURCES WITHOUT LICENSE
FOR EXEMPT DISTRIBUTION

Dear Mr. Cox:

This refers to our letter dated April 22, 1996, in which we advised you that we were continuing our review of the concern on March 20, 1996, related to the redistribution of check sources, without a license for exempt distribution, by Spectrum Techniques, Inc.

Our inspection regarding this matter has been completed and our findings are documented in the enclosed allegation summary. Based on the information provided, this allegation was substantiated. Spectrum Techniques received a violation against 10 CFR 30.18(c) for unauthorized redistribution of exempt sources. Oxford Instruments was in violation of 10 CFR 30.18(d) for unauthorized distribution; however, under our Enforcement Policy it is a non-cited violation because Oxford Instruments identified the violation and took adequate corrective action.

This concludes the staff's activities regarding these matters. If you have any questions, you may contact me at (404) 331-6571. If you wish, you may contact me by mail at P.O. Box 645, Atlanta, GA 30301.

Sincerely,

John P. Potter, Chief
Materials Licensing/Inspection Branch II
Division of Nuclear Materials Safety

- Enclosures: 1. Allegation Summary Report
2. Field Notes 41-14168-01/96-A-0071
3. Letter transmitting Notice of Violation dated July 10, 1996

Certified Mail No. P 257 835 804
RETURN RECEIPT REQUESTED

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ALLEGATION SUMMARY REPORT

ALLEGATION RII-96-A-0071

SPECTRUM TECHNIQUES, INC.

REDISTRIBUTING EXEMPT SOURCES WITHOUT DISTRIBUTION LICENSE

DOCKET NO. 030-08045

ALLEGATION:

Spectrum Techniques, Inc. purchased sources from Oxford Instruments and willfully redistributed them to persons exempt from the requirements of a license without a license from the NRC that authorized such distribution.

DISCUSSION:

Oxford Instruments has a license, 41-14168-01E, to distribute sources to individuals exempt from the requirements of a license. Over the course of approximately two years (early 1994 to late 1995), Oxford sold approximately 2-4 thousand such sources to Spectrum Techniques, Inc. As time passed, the Radiation Safety Officer (RSO) at Oxford Instruments became aware of the sales volume to Spectrum and also learned that Spectrum did not possess a license authorizing distribution of sources to individuals exempt from the requirements of a license. He questioned the number of sources purchased and felt that Spectrum was possibly redistributing these in violation of 10 CFR 30.18(d). He made this known to his management, and subsequently, to the NRC. After NRC advised Oxford Instruments that Spectrum was not authorized to redistribute, Oxford ceased sales to the company. The RSO at Oxford was not aware of sales volumes previously, therefore, it took some time for him to become aware of the volume of sales to Spectrum.

An inspection of Spectrum Techniques was conducted on June 18, 1996. At that time Spectrum Techniques had received a license authorizing distribution to persons exempt from a license. The RSO for Spectrum stated that they had purchased sources from Oxford Instruments during the time frame in question, prior to receiving their distribution license. Spectrum markets an educational product that utilizes the sources. Spectrum would take the sources, packaged exactly as received from Oxford, and put the package into the box with their device, then ship it to their customers. The RSO stated that he had a conversation with an NRC staff member concerning 10 CFR 30.14(c), and reviewed this portion of the regulations. The RSO interpreted the regulation to mean that Spectrum could transfer sources to individuals exempt from the requirements for a license. After discussion with Oxford Instruments, Spectrum applied for a distribution license. Spectrum did redistribute the sources, but felt that they could do so under 10 CFR 30.14(c). The inspector advised them that this portion of the regulations did not apply in this case and that they were in violation of 10 CFR 30.18 for redistributing exempt quantities without a license. The inspector further advised them that they would receive a violation, but that

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no response would be necessary since they now possessed a distribution license. Oxford Instruments received a non-cited violation against 10 CFR 30.18(d) for self-identified unauthorized distribution of exempt sources.

CONCLUSIONS:

The allegation was substantiated in that Spectrum Techniques, Inc. was redistributing byproduct material without a license authorizing distribution to persons exempt from the requirements of a license. Spectrum Techniques has since secured such a license. This was due to a misinterpretation of the regulations, and did not appear to be a willful violation on the part of the licensee. Spectrum Techniques received a violation for this distribution. Oxford Instruments was found to be in violation of 10 CFR 30.18(d) and received a non-cited violation, since they discovered the problem, brought it to the attention of the NRC, and implemented corrective actions. This allegation is closed.

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