



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

September 27, 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: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY)

Dear Mr. Gallagher:

Applied Health Physics, Inc. (AHP) was issued a Confirmatory Order on March 29, 1996, (the Order) as a result of its storage of radioactive waste for more than 180 days; which was a repeat violation; possessing radioactive material which AHP was not authorized to possess; and NRC's concern about the financial status of the licensee and the possibility of abandoned radioactive material at the licensee's facility.

In letters dated May 2 and 16, 1996, AHP stated that they had complied with the Order which suspended authorization for AHP to receive pre-packaged radioactive wastes at their Bethel Park facility and requested a relaxation of the Order. In particular, these letters described AHP's actions which included the disposal of certain specified waste and the establishment of an escrow account into which revenues from customers whose waste is transferred to its Bethel Park, Pennsylvania facility would be deposited. These revenues would be deposited into escrow within five business days and would include the revenues required to pay for the direct costs of transportation, permits, disposal, and a 10% contingency fee.

The NRC reviewed your relaxation request and, based on the information provided in your letters cited above, found that AHP had satisfactorily complied with the requirements of the Order to be met as of that date and had made satisfactory progress toward completion of the remaining requirement, Paragraph IV.C of the Order, which is to be completed by December 31, 1996. Therefore, in accordance with Section IV of the Order, Paragraph IV.A. of the March 29, 1996 Order was rescinded by letter dated May 31, 1996, to the extent that AHP was authorized to receive prepackaged radioactive waste at its Bethel Park, Pennsylvania facility. The other requirements of the Order remained in effect.

Since that time, the NRC learned that the United States Internal Revenue Service seized AHP's bank accounts, thereby preventing disposal of radioactive waste located at your Bethel Park, Pennsylvania facility. As a result, the NRC no longer has confidence that AHP will be able to dispose of the

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Mr. Gallagher

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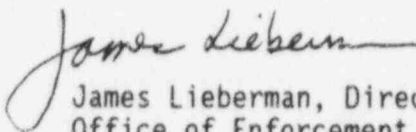
radioactive waste on-site. Accordingly, in AHP's facsimile dated September 3, 1996, you agreed to suspend all receipt of pre-packaged radioactive waste at your Bethel Park, Pennsylvania facility. The enclosed Confirmatory Order confirms that commitment.

Pursuant to Section 223 of the Atomic Energy Act of 1954, as amended, any person who willfully violates, attempts to violate, or conspires to violate, any provision of this Order shall be subject to criminal prosecution as set forth in that section. Violation of this Order also may subject the person to civil monetary penalty.

Questions concerning this Order should be addressed to Mr. James Lieberman, Director, Office of Enforcement, at (301) 415-2741.

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

Enclosures: As Stated

cc:w/encl

State of New Jersey

State of New York