



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

November 4, 1996

Mr. Lawrence M. Froman, Manager
Panalarm Business Unit
Process and Analytical Instruments Division
AMETEK, Inc.
7401 North Hamlin Avenue
Skokie, IL 60076

SUBJECT: NRC INSPECTION REPORT 99901303/96-01, NOTICE OF VIOLATION, AND
NOTICE OF NONCONFORMANCE

Dear Mr. Froman:

On September 12, 1996, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your Panalarm Business Unit facility. The enclosed report presents the results of that inspection.

During this inspection, the NRC inspector found that one of your activities appeared to be in violation of NRC requirements. Specifically, your procedure for identifying, evaluating, and reporting deviations from the requirements of safety-related purchase orders confused the terms "deviation" and "defect"; it also failed to address significant changes in 10 CFR Part 21 reporting requirements and procedures since the procedure was last revised more than six years ago.

The violation is cited in the enclosed Notice of Violation (NOV), and the circumstances surrounding the violation are described in detail in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed NOV when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In addition, the NRC inspector found that the implementation of your quality assurance program failed to meet certain NRC requirements imposed on you by your customers. Specifically, your procedures failed to adequately define the organizational independence and verification functions of your quality assurance group as required by 10 CFR Part 50, Appendix B. Three nonconformances were identified in this regard.

These nonconformances are cited in the enclosed Notice of Nonconformance (NON), and the circumstances surrounding them are described in detail in the enclosed report. You are requested to respond to the nonconformances and should follow the instructions specified in the enclosed NON when preparing your response.

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Mr. Froman

- 2 -

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert M. Gallo", with a stylized flourish at the end.

Robert M. Gallo, Chief
Special Inspection Branch
Division of Inspection and Support Programs
Office of Nuclear Reactor Regulation

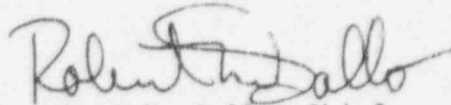
Docket No. 99901303

Mr. Froman

- 2 -

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Sincerely,

A handwritten signature in dark ink, appearing to read "Robert M. Gallo". The signature is fluid and cursive, with a large, stylized initial "R".

Robert M. Gallo, Chief
Special Inspection Branch
Division of Inspection and Support Programs
Office of Nuclear Reactor Regulation

Docket No. 99901303

Mr. Froman

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Sincerely,

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Robert M. Gallo, Chief
Special Inspection Branch
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Docket No. 99901303

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Mr. Froman

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Sincerely,

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Robert M. Gallo, Chief
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