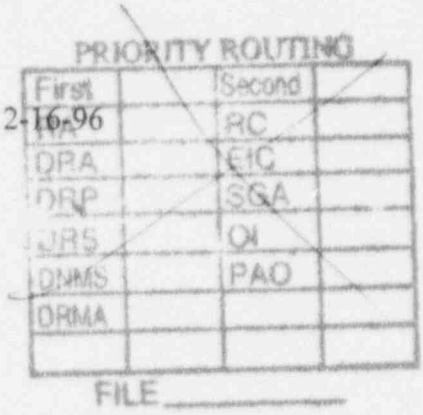
UMMC

United Medical Manufacturing Company



Regional Administrator
U.S. Nuclear Regulatory Commission, Region III
801 Warrenville Road
Lisle, IL 60532-4351

SUBJECT: Reply to a Notice of Violation

Dear Regional Administrator:

This refers to your letter dated November 21, 1996 in which the NRC had determined that United Medical Manufacturing Company (UMMC) was in violation of NRC requirements.

The first violation that was identified was 10 CFR 31.5(c)(8) which requires, in part, that any person who acquires, receives, possesses, uses or transfers byproduct material in a device pursuant to a general license shall, except as provided for in 10 CFR 31.5 (c)(9), transfer or dispose of the device containing byproduct material only by transfer to persons holding a specific license pursuant 10 CFR Parts 30 and 332 or from an Agreement State to receive the device.

(1) the reason for the violation: The violation was committed due to the loss of said devices during our move between facilities, thus preventing UMMC from making the transfer to a person holding a specific license pursuant to 10 CFR Parts 30 and 32 or from an Agreement State to receive the device.

(2) the corrective steps that have been taken and the results achieved: The corrective steps that have been taken are:

1) A search was conducted when it was determined that the devices were missing. The search consisted of examining our old location where these devices were used and the new location after the equipment was unloaded and set-up. The result of this search confirmed that the devices were lost.
2) UMMC notified by telephone and in writing NRD Inc. (company from which UMMC leases such devices) of the loss of said devices. The result of these communications satisfied NRD Inc.'s policies on loss of devices. It also directed me to begin correspondence with NRC.

(3) the corrective steps that will be taken to avoid further violations: The corrective steps that will be taken to avoid further violations are:

1) I have designed a check sheet to be used on a monthly basis to audit the location of the devices.

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Indianapolis, IN 46250
(317) 576-5035

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2) Training will be conducted with the manufacturing supervisors and associates outlining the importance of care that must be exercised while UMMC is in possession of the devices.

(4) the date when full compliance will be achieved: Full compliance will be achieved by January 31, 1997.

The second violation that was identified was 10 CFR 20.2201 (a) (1)(I) which requires licensees to report by telephone, immediately after its occurrence becomes known to the licensee, any lost, stolen, or missing licensed material in an aggregate equal to or greater than 1000 times the quantity specified in Appendix C Part 20 under such circumstances that it appears to the licensee that an exposure could result to persons in unrestricted areas.

(1) the reason for the violation: At the time of the loss I was not aware I was responsible to report by telephone the loss of said devices to NRC.

(2) the corrective steps that have been taken and the results achieved: I have taken the corrective step of educating myself on the policies that effect UMMC and NRC on reporting any lost, stolen, or missing licensed material in an aggregate equal to or greater than 1000 times the quantity specified in Appendix C Part 20 under circumstances that it appears to the licensee that an exposure could result to persons in unrestricted areas. This education has resulted in myself having a better understanding of the regulations that pertain to the use of these devices.

(3) the corrective steps that will be taken to avoid further violations: The corrective steps that will be taken to avoid further violations are:

1) I have designed a check sheet to be used on a monthly basis to audit the location of the devices. This monthly audit will help to insure the timely reporting of any lost, stolen, or missing licensed material.

(4) the date when full compliance will be achieved: Full compliance will be achieved by December 31, 1996.

Sincerely,

Steven Nellis

Steven Nellis
Facility Supervisor

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Indianapolis, IN 46250
(317) 576-5035

UMMM

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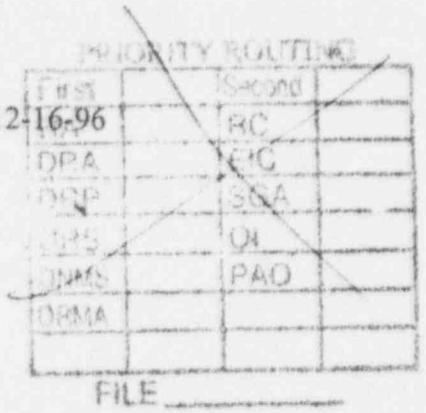

12-16-96

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