



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

DCS  
PDR

EA 96-135

April 10, 1997

21st Century Technologies, Inc.  
ATTN: Patricia Wilson  
President  
2513 East Loop 820 North  
Fort Worth, Texas 76118

SUBJECT: ORDER IMPOSING CIVIL MONETARY PENALTY - \$2,500

Dear Ms. Wilson:

This is addressed to you as successor licensee to Innovative Weaponry, Inc., and refers to the Answer to Notice of Violation and Reply to Notice of Violation filed October 1, 1996 by your attorney, in response to the Notice of Violation and Proposed Imposition of Civil Penalty (Notice) sent to Innovative Weaponry, Inc. (IWI) by our letter dated May 15, 1996. Our letter and Notice described two violations identified during an NRC investigation conducted between May 9, 1995 and March 22, 1996. This letter is being sent to you as the successor organization to IWI.

To emphasize that management must understand the license and assure that its requirements are met, a civil penalty of \$7,500 was proposed.

In your responses you admitted distributing sources from a manufacturer not authorized in the license and distributing "configurations mentioned in the license" [sic], but denied that these were violations of lawful exercise of regulatory authority under the Atomic Energy Act, disagreed with the assessment of the Severity Level, stated that the size of the civil penalty would impose a severe financial hardship on the licensee, argued that NRC standards for imposing penalties are too vague to meet due process standards, and complained that the basic information on which the decision was made has not been made available to the licensee in preparation of its defense.

After consideration of IWI's responses, we have concluded for the reasons given in the Appendix attached to the enclosed Order Imposing Civil Monetary Penalty that the violations occurred as stated and that the civil penalty should be mitigated to \$2,500. Accordingly, we hereby serve the enclosed Order on Innovative Weaponry, Inc. imposing a civil monetary penalty in the amount of \$2,500.

The NRC's Enforcement Policy provides, "... it is not the NRC's intention that the economic impact of a civil penalty be so severe that it puts a licensee out of business (orders, rather than civil penalties, are used when the intent is to suspend or terminate licensed activities) or adversely affects a licensee's ability to safely conduct licensed activities." Therefore, in view of your statement concerning your financial hardship and your suggestion that the NRC should allow payment of the penalty over 18

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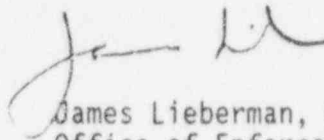
months, we are prepared to permit you to pay this civil penalty over time. If you make arrangements to pay in installments, interest will be assessed and there may be other administrative charges. If you wish to pay in installments, you are to inform Mr. James Lieberman, Director, Office of Enforcement, within 15 days of the date of this letter, and arrange the terms and conditions of payment.

If you choose to pay the civil penalty in full at this time, Section IV of the enclosed Order provides that payment should be made within 30 days of the date of this Order, by check, draft, money order, or electronic transfer, payable to the Treasurer of the United States and mailed to James Lieberman, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738.

We will review the effectiveness of your corrective actions during a subsequent inspection.

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

Sincerely,



James Lieberman, Director  
Office of Enforcement

Docket No. 030-30266  
License No. 30-23697-01E

Enclosure: As Stated

cc: J. Tourtellotte, Esq.