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DEC 3 1985

General Licensee (10 CFR 31.5)
EA 85-124

DelMonte Corporation
ATTN: Mr. W. J. Spain
Corporate Quality Assurance
and Regulatory Affairs
P.O. Box 9004
Walnut Creek, CA 94598-2458

Gentlemen:

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY
(NRC INSPECTION REPORT NO. 999-90003/85-110(DRSS))

This refers to the special safety inspection conducted by Ms. T. L. Simmons on September 25 through October 10, 1985, of activities at the DelMonte Corporation, Plymouth, Indiana authorized by NRC General License (10 CFR 31.5). The inspection was in response to circumstances surrounding an americium-241 gauge found in a scrap yard and reported to the NRC Region III staff by the Indiana State Board of Health on September 25, 1985. The report of the inspection was forwarded to you on October 29, 1985. The results of the inspection were discussed on October 21, 1985, during an enforcement conference call between you and Mr. Fish of your staff and Mr. J. A. Hind and members of the NRC Region III staff.

The inspection showed, among other things, that licensee management failed to ensure that licensed radioactive material in an unrestricted area was secured from unauthorized removal. In addition to the unauthorized removal, this failure to control licensed material ultimately resulted in improper disposal of the nuclear gauge. Furthermore, during the period that the nuclear gauge was in storage, it was not leak tested semi-annually as required.

To emphasize the importance of adequate oversight and control of licensed material, I have been authorized, after consultation with the Director, Office of Inspection and Enforcement, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the amount of Five Hundred Dollars (\$500) for one of the violations described in the enclosed Notice. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1985), this violation has been categorized as a Severity Level III problem. The escalation and mitigation factors in the Enforcement Policy were considered and no adjustment has been deemed appropriate.

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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You are required to respond to this letter and should follow the instructions specified in the attached Notice when preparing your response. You should give particular attention to those actions designed to ensure continuing compliance with NRC requirements. In your response you should describe the management procedures which will be implemented to ensure proper controls over licensed radioactive materials at all times. Your reply to this letter and the results of future inspections will be considered in determining whether further enforcement action is appropriate.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

The response directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,

Original signed by
James G. Keppler
James G. Keppler
Regional Administrator

Enclosures:

1. Notice of
Violation and Proposed
Imposition of Civil Penalty
2. Inspection Report
No. 999-90003/850110(DRSS)

RIII

Hind/ls
11/29/85

RIII

WHS
Schultz

RIII

JH for ABO
Davis

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DelMonte Corporation

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