



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
61 FORSYTH STREET SW SUITE 23T85  
ATLANTA, GEORGIA 30303-8931**

April 20, 2000

Alton A. Adams, Jr., Inc.  
ATTN: Alton A. Adams, Jr.  
President  
P. O. Box 1522  
1b Kongens Gade  
St. Thomas, U.S. Virgin Islands 00804

SUBJECT: NRC INSPECTION REPORT NO. 999-00872/00-01

Dear Mr. Adams:

The purpose of this letter is to document the inspection conducted at your facility by the Nuclear Regulatory Commission (NRC) and to advise Alton A. Adams, Jr., Inc., (AAA) of the NRC's regulatory requirements for possession and use of NRC licensed byproduct material within areas of NRC jurisdiction.

As background information, during a March 20, 2000 inspection of an NRC licensee on St. Thomas, U.S. Virgin Islands, the NRC identified that AAA possessed a portable moisture-density gauge. Later that day, interviews of AAA personnel and observations by the inspector confirmed that AAA did possess and was using a Troxler Model 3440 portable moisture-density gauge containing 8 millicuries of cesium 137 and 40 millicuries of americium 241 and that Caribbean Quality Control Services, Inc. (CQCS), an NRC licensee located on St. Croix, U.S. Virgin Islands, had transferred the gauge to AAA.

CQCS is licensed by the NRC under License No. 55-18380-01 to possess and use portable moisture density gauges containing up to 10 millicuries of cesium 137 and up to 100 millicuries of americium 241 for measuring the properties of various materials. During the March 20 inspection at your facility and after a subsequent inspection of CQCS on March 21, 2000, the NRC identified that the transfer of the portable gauge took place on or about January 21, 2000. Interviews with AAA representatives and review of records indicated that AAA used the portable gauge on several occasions between February 9 and March 17, 2000, for measuring soil density. Following conversations with NRC Region II management, the presidents of AAA and CQCS made arrangements for the immediate return of the device to CQCS. The results of our inspection of AAA are described in the enclosed report. You should be aware that the NRC is contemplating enforcement action against CQCS for transferring one of its gauges to an unlicensed person.

The NRC is responsible for protecting the health and safety of the public through licensing and regulating the use of nuclear byproduct material. You should be aware, in particular, of the requirements of Title 10 of the Code of Federal Regulations (CFR), Part 30.3, which state that no person shall manufacture, produce, transfer, receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued pursuant to the regulations in this chapter (Part 30 of 10 CFR). Obtaining a nuclear byproduct material license provides the NRC with the opportunity to review an applicant's radiation safety program prior to the receipt of licensed materials and to conduct inspections to ensure that individuals are safely using licensed material. In this case, CQCS did not take appropriate actions to comply with regulatory requirements, in that it permitted a non-licensed person to possess and use licensed radioactive material. However, based on the circumstances of this matter, the actual low safety consequence, and the prompt actions taken by AAA to return the gauge to CQCS, the NRC has concluded that enforcement action against AAA is unwarranted. Should AAA have a need to possess or use NRC licensed material in the future, please ensure that you comply with all applicable regulatory requirements. Failure to do so could result in NRC enforcement action, up to and including the issuance of a Notice of Violation, imposition of daily civil penalties or Orders.

Thank you for your cooperation in this matter. Should you have any questions concerning this letter, please contact me at (404) 562-4700.

Sincerely,

/RA/

Douglas M. Collins, Director  
 Division of Nuclear Materials Safety

Enclosure: NRC Inspection Report  
 999-00872/00-01

cc w/encl:  
 United States Virgin Islands

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\*see previous concurrence

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