



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

June 6, 2000

Samaritano & Company, Inc.
ATTN: Juan G. Solivan, Vice President
P.O. Box 360862
San Juan, Puerto Rico 00936

SUBJECT: NRC INSPECTION REPORT NO. 52-21019-02 AND NOTICE OF VIOLATION

Dear Mr. Solivan:

This refers to the inspection conducted on May 18, 2000, at your facilities located in Bayamon, Puerto Rico. The inspection was an examination of activities conducted under your license with respect to radiation safety and compliance with NRC regulations and the conditions of your license. It included selective examinations of procedures and representative records, interviews with personnel, and direct observations by the inspector. At the conclusion of the inspection, the findings were discussed with you.

At the conclusion of the May 18, 2000, inspection, an NRC Form 591, "Safety and Compliance Inspection" was issued to you indicating that, based on the inspection findings, no violations of NRC requirements were identified. However, as discussed during a telephone conversation between you and Mr. John Pelchat of my staff on June 6, 2000, NRC management review of the inspection findings has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice). The violation involved failure to meet the requirements of the decommissioning timeliness rule, in that principal activities involving a portable gauge containing americium 241 had not been conducted for an extended period of time and that you had not notified the NRC or begun decommissioning activities. This rule was prompted by specific concerns including the potential risk of safety practices becoming lax because of the attrition of key personnel and the lack of management interest at facilities once operations cease. We understand that you do not intend to resume principal activities with the portable gauge in the future and that you are negotiating the sale of the gauge with another company. As part of your response to the violation, please submit a schedule to this office when you plan to dispose of the portable gauge. A copy of NRC Administrative Letter 96-05,

Revision 1, "COMPLIANCE WITH THE RULE "TIMELINESS IN DECOMMISSIONING OF MATERIAL FACILITIES," is enclosed to provide you with more information regarding the requirements and options under the decommissioning timeliness rule.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. For your consideration and convenience, NRC Information Notice 96-28, "SUGGESTED GUIDANCE RELATING TO DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION," is enclosed. The NRC will use your

response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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

If you have any questions, please call me at (404) 562-4731.

Sincerely,

/RA/

Mark S. Lesser, Chief
 Materials Licensing/Inspection Branch 2
 Division of Nuclear Materials Safety

Docket No. 030-33329
 License No. 52-21019-02

- Enclosures: 1. Notice of Violation
 2. 10 CFR 30
 3. NRC Information Notice 96-28
 4. NRC Administrative Letter 96-05 Revision 1

cc w/encl 1:
 Commonwealth of Puerto Rico

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OFFICE	RII:DNMS			
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COPY?	YES NO	YES NO	YES NO	YES NO

NOTICE OF VIOLATION

Samaritano & Company, Inc.
San Juan, Puerto Rico

Docket No. 030-33329
License No. 52-21019-02

During an NRC inspection conducted on May 18, 2000, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

10 CFR 30.36(d)(3) requires that if no principal activities under the license have been conducted for a period of 24 months, the licensee shall provide notification to the NRC in writing within 60 days and begin decommissioning or submit a decommissioning plan.

Contrary to the above, as of May 18, 2000, the licensee failed to provide notification to the NRC of a 24-month period of inactivity and begin decommissioning or submit a decommissioning plan. Specifically the licensee has not engaged in licensed activities since at least 1995 and has not notified the NRC of this period of inactivity.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Samaritano & Company, Inc. is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region II, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in

Enclosure 1

detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 6th day of June 2000