May 4, 2001

EA 01-114

William Goodwin
General Manager
Griffith Electric Supply Company, Inc.
5 Second Street
Trenton, NJ 08611

SUBJECT: NOTICE OF VIOLATION
(NRC Investigation Report No. 1-1999-037)

Dear Mr. Goodwin:

This refers to the investigation conducted by the NRC Office of Investigations between November 10, 1999, and March 27, 2001, concerning your distribution of self-luminous exit signs from your facility in Trenton, New Jersey. The investigation was conducted to determine if Griffith Electric Supply Company (Griffith) deliberately distributed self-luminous EXIT signs containing radioactive material (tritium) between 1994 and 1999 without having a specific NRC license authorizing these activities. Griffith was authorized to possess and use such signs under 10 CFR 31.5. However, 10 CFR 31.5 does not authorize distribution.

Based on its investigation, OI concluded that Griffith distributed EXIT signs containing tritium between 1994 and 1999 without having the required NRC license. This constitutes an apparent violation of NRC requirements. However, OI did not substantiate that Griffith deliberately violated NRC regulations when they distributed the EXIT signs. A copy of the synopsis of the OI investigation is enclosed.

The apparent violation was described to Ms. Carleen Steward, your legal counsel, by Ms. Betsy Ullrich, NRC Region I, during a telephone conversation on May 1, 2001. Ms. Ullrich also indicated that the NRC had sufficient information regarding the violation and your corrective actions to make an enforcement decision without a predecisional enforcement conference or a written response from you. Ms. Steward indicated that a predecisional enforcement conference or written response was not needed. As a result, the violation of NRC requirements is being cited, and is described in the enclosed Notice of Violation (Notice).

The violation involved Griffith's transfer of byproduct nuclear material without a specific NRC license authorizing such activities. Specifically, between 1994 and November 1999, Griffith maintained a stock supply of luminous EXIT signs containing tritium, a byproduct material, and distributed the EXIT signs to customers, an activity which requires a specific NRC license pursuant to 10 CFR Part 30. The general license (10 CFR 31.5), which authorizes possession and use of EXIT signs, does not allow you to transfer or stock EXIT signs for sale to clients. Although you distributed the signs to customers in their original boxes which contained copies of the applicable regulations, this case, nonetheless, involved the conduct of unauthorized

activities. Therefore, the violation is categorized at Severity Level III in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600.

In accordance with the Enforcement Policy in effect at the time this violation occurred, a base civil penalty in the amount of $2,750 is considered for a Severity Level III violation or problem. Because your facility has not been the subject of an escalated enforcement action within the last two years, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section VI.B.2 of the Enforcement Policy. Credit for corrective actions is warranted because after the NRC sent you a letter, dated November 19, 1999, demonstrating why Griffith would require a specific license to distribute the tritium, you (1) stopped all receipt and transfer of EXIT signs containing tritium; and (2) contacted each manufacturer of EXIT signs containing tritium that were in storage at your facility and intended for sale, and returned them to the manufacturer. Therefore, I have been authorized to not propose a civil penalty in this case. However, similar violations in the future could result in further escalated enforcement action.

The NRC has concluded that information regarding the reason for the violation, and the corrective actions taken and planned to correct the violations and prevent recurrence, are adequately addressed on the docket in this letter. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures, and your response will be available electronically for public inspection in the NRC Public Document Room or from the Publically Available Records (PARS) component of the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/NRC/ADAMS/index.html (the Public Reading Room).

Sincerely,

/RA/ James T. Wiggins Acting For

Hubert J. Miller
Regional Administrator

Enclosures:
1. Notice of Violation
2. OI Synopsis

cc w/encls:
State of New Jersey
Carleen Steward, Legal Counsel
Mason, Griffin and Pierson
101 Poor Farm Road
Princeton, NJ 08540

Griffith Electric Supply Company, Inc.

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OFFICE			RI:ORA		RI:DNMS		RI:RC		RI:RA	
NAME			DHolody (DJH)		GPangburn (GCP)		BFewell (JBF)		HMiller (JTW for)	
DATE			04/26/01		05/02/01		05/02/01		05/04/01	

ENCLOSURE 1

NOTICE OF VIOLATION

Griffith Electric Supply Company
Trenton, NJ

Docket No. 99990001
EA 01-114

During an investigation conducted by the NRC Office of Investigations, one violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy), NUREG-1600, the violation is listed below:

> 10 CFR 30.3 requires that, except for persons exempted, 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 of this chapter.
>
> Contrary to the above, between 1994 and November 1999, Griffith Electric Supply Company transferred byproduct material without a specific NRC license, and was not exempt from the requirements for a specific license. Specifically, Griffith Electric Supply Company maintained a stock supply of luminous EXIT signs containing tritium, a byproduct material, and distributed the EXIT signs to customers, an activity which requires a specific license pursuant to 10 CFR Part 30.
>
> This is a Severity Level III violation (Supplement VI).

The NRC has concluded that information regarding the reason for the violations, and the corrective actions taken and planned to correct the violations and prevent recurrence are already adequately addressed on the docket in the NRC letter transmitting this Notice. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/NRC/ADAMS/index.html (the Public Electronic Reading Room). Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public 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 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 you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Dated this 4th day of May 2001

SYNOPSIS

This investigation was initiated by the U.S. Nuclear Regulatory Commission (NRC), Office of Investigations (OI), Region I Field Office, on November 10, 1999, to determine whether Griffith Electric Supply Company, Inc. (Griffith), an NRC general licensee, deliberately possessed and distributed self-luminous EXIT signs (EXIT signs) containing radioactive material (tritium) without having an NRC Materials License.

Based upon the evidence developed during this investigation, OI concludes that Griffith possessed and distributed EXIT signs containing radioactive material (tritium) between 1994 and 1999 without having an NRC Materials License. However, OI did not substantiate that Griffith deliberately violated NRC regulations when they possessed and distributed the EXIT signs.