



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

September 26, 2002

EA-02-193

Glock, Inc.  
ATTN: Paul Jannuzzo  
Vice President/  
General Counsel  
P. O. Box 369  
Smyrna, Georgia 30081

SUBJECT: NOTICE OF VIOLATION (NRC INSPECTION REPORT NO. 999-90012/02-02)

Dear Mr. Jannuzzo:

This refers to the inspection conducted on June 27, 2002, at Glock, Inc., Smyrna, Georgia and a telephonic exit with your staff on July 23, 2002. The purpose of the inspection was to review Glock, Inc.'s activities associated with the manufacture, importation, and initial distribution of self-luminous gun sights containing byproduct material to persons exempt from licensing. The results of the inspection, including two apparent violations, were transmitted to you by NRC letter dated July 24, 2002. Based on the NRC's additional review of the significance of the apparent violations, a telephonic exit briefing was conducted with you on September 23, 2002. You were informed that the NRC was considering escalated enforcement action for the apparent violations, which involved the importation of byproduct material and the initial distribution of self-luminous gun sights to persons exempt from licensing without a specific license authorizing this distribution.

During the exit briefing of September 23<sup>rd</sup>, you were informed that the NRC had sufficient information regarding the apparent violations and your corrective actions to make an enforcement decision without the need for a predecisional enforcement conference or a written response from you. You indicated during the telephonic exit that you did not believe that a predecisional enforcement conference or written response was necessary prior to NRC taking enforcement action.

Therefore, based on the information developed during the inspection, the NRC has determined that two violations of NRC requirements occurred. The violations are cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding them are described in detail in the subject inspection report. Violation (A) involved your non-compliance with the requirements of 10 CFR 150.15(a)(2) in September 2001, when Glock imported byproduct material in the form of 11,000 sets of tritium gun sights, and did not possess a general or specific license to possess byproduct materials from either NRC or an Agreement State. Violation (B) involved your non-compliance with the requirements of 10 CFR 30.19(b), in that, as a non-licensee, Glock initially transferred 9,000 self-luminous gun sights containing tritium to individuals as if these individuals were exempt from licensing (as described in 10 CFR 30.19(a)) when in fact, these individuals were not exempt because Glock was not licensed by the NRC to initially distribute these materials. The tritium gun sights were transferred to these individuals between

September 30, 2001 and June 27, 2002. You indicated during the inspection that the cause of the violations was your lack of understanding of these regulatory requirements.

No actual consequences occurred as a result of the violations. However, the NRC considers the violations to be significant because of the potential safety hazards associated with the importation of byproduct material as well as the subsequent distribution of this byproduct material to individuals who are not authorized to possess it under the conditions specific to this case. The NRC exercises its regulatory oversight responsibility, in part, by ensuring that importers of byproduct material are licensed by the NRC or an agreement state, who are subject to certain regulatory requirements. Importers of byproduct material who circumvent this (i.e., who do not obtain a specific or general license) may not recognize that byproduct material should be manufactured, tested, or otherwise subjected to certain regulatory requirements. In this case, had there been any failures associated with the gun sights, the NRC would not be able to identify any recipients of the gun sights to provide safety warnings or information, and under different circumstances may have found it difficult to determine whether the gun sights were manufactured and tested in accordance with proper requirements. Accordingly, these two violations have been categorized collectively as a Severity Level III problem, in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," NUREG-1600.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$3,000 is considered for a Severity Level III violation. Because your company has not been the subject of escalated enforcement action within the last two years or two inspections, the NRC considered whether credit was warranted for Corrective Action in accordance with the civil penalty assessment process described in Section VI.C.2 of the Enforcement Policy. Your corrective actions for the violations included the immediate suspension of distribution of the gun sights. Glock also requested information from the manufacturer as to the quality and composition of the units distributed, to provide assurance that the units satisfied certain manufacturing and testing requirements. Glock also completed other activities as discussed in the NRC's Confirmatory Action Letter of July 2, 2002. The corrective actions as discussed in this Notice also serve to close out the NRC's Confirmatory Action Letter. Based on the above, the NRC concluded that your actions were prompt and comprehensive, and credit was warranted for the factor of Corrective Action.

Therefore, to encourage prompt and comprehensive correction of violations and in recognition of the absence of previous escalated enforcement action, I have been authorized to propose that no civil penalty be assessed in this case. However, similar violations in the future could result in further escalated enforcement action. Issuance of this Notice constitutes escalated enforcement action, that may subject you to increased inspection effort.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violations and prevent recurrence, and the date when full compliance was achieved is adequately addressed on the docket in the referenced inspection report and this letter. Therefore, you are not required to respond to this letter unless the description herein 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.

Glock, Inc.

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response (should you choose to provide one) 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/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions regarding this matter, please contact Douglas M. Collins, Director, Division of Nuclear Materials Safety, at 404-562-4700.

Sincerely,

***/RA by Bruce Mallett Acting for LAR/***

Luis A. Reyes  
Regional Administrator

Docket No. 999-90012  
License No. Non-licensee

Enclosure: Notice of Violation

cc w/encl:  
State of Georgia

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## NOTICE OF VIOLATION

Glock, Inc.  
Smyrna, Georgia

Docket No. 999-90012  
License No. Non-licensee  
EA-02-193

During an NRC inspection conducted on June 27, 2002, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, (Enforcement Policy), the violations are listed below:

- A. 10 CFR 150.15(a)(2), states that authorization for import of byproduct material is not exempt from NRC jurisdiction. 110.27(a)(3), grants a general license to import byproduct to the holder of a general or specific license issued either by NRC or an Agreement State to possess byproduct material.

Contrary to the above, in September, 2001, Glock, Inc. imported byproduct material in the form of 11,000 sets of tritium gun sights, and Glock, Inc. did not possess a general or specific license to possess byproduct materials from either NRC or an Agreement State.

- B. 10 CFR 30.19(b) requires, in part, that any person who desires to manufacture, process, or produce self-luminous products containing tritium or to transfer such products for use pursuant to 10 CFR 30.19(a) apply for a license pursuant to 10 CFR 32.22. The license issued pursuant to 10 CFR 32.22 must state that the product may be transferred by the licensee to persons exempt from the regulations pursuant to 30.19(a) or equivalent regulations of an Agreement State.

Contrary to the above, between September 30, 2001 and June 27, 2002, the non-licensee initially transferred 9,000 self-luminous gun sights containing tritium to individuals as if these individuals were exempt from licensing as described in 10 CFR 30.19(a), when in fact, they were not exempt because the non-licensee was not licensed by the NRC to initially distribute these materials to these persons pursuant to the exemption in 10 CFR 30.19(a). The non-licensee did not possess any quality assurance data or contamination reports related to the manufacture of the gun sights as is required by persons who are licensed to initially transfer such products for use pursuant to 10 CFR 32.22.

This is a Severity Level III problem (Supplement VI).

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken and planned to correct the violations and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in the letter transmitting this Notice of Violation (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 II within 30 days of the date of the letter transmitting this Notice.

Enclosure

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.

Because any 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), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). 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 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 26th day of September 2002

Enclosure