

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION
WASHINGTON, D.C. 20555-0001

February 19, 1998

NRC INFORMATION NOTICE 98-06: UNAUTHORIZED USE OF LICENSE TO OBTAIN
RADIOACTIVE MATERIALS, AND ITS IMPLICATIONS
UNDER THE EXPANDED TITLE 18 OF THE U.S. CODE

Addressees

All NRC licensees authorized to possess licensed material.

Purpose

The U.S. Nuclear Regulatory Commission (NRC) is issuing this information notice to alert addressees to an incident involving unauthorized use of a broad-scope academic medical license to obtain radioactive materials and the subsequent criminal investigation of the incident under revised Title 18 of the U.S. Code. It is expected that recipients will review the information for applicability to their facilities and consider actions, as appropriate, to avoid similar problems. However, suggestions contained in this information notice are not NRC requirements, and no specific action or written response is required.

Description of Circumstances

An unauthorized individual, who presented himself as an author doing research and as a guest of the institution, asked a staff member of the institution's radiation safety office for the institution's broad-scope academic medical license so that he could examine it. Apparently, the individual made a copy of part of the license and used it to order at least 2 radioactive sources (74 to 185 mega-becquerels [2 to 5 millicuries] of cadmium-109 and 185 mega-becquerels [5 millicuries] of sodium-22) from a broker. The unauthorized individual apparently waited for the delivery truck and took possession of the first source when it was delivered. The individual has indicated that the first source was transported to a foreign country by an associate. When the second source was delivered, an institution staff member observed the radioactive label and told the individual he must take the package to the radiation safety officer (RSO) for processing. After the individual took the second source to the RSO, the RSO became suspicious and the unauthorized purchases were detected. It was subsequently determined that the individual had a history of criminal activity. As a result of his unauthorized use of the institution's license, the individual was arrested and charged with one count of wire fraud and four counts under the revised Title 18 of the U.S. Code, Chapter 39, "Explosives and Other Dangerous Articles," Section 831, "Prohibited Transactions Involving Nuclear Materials." Section 831 provides, in part, punishment for whoever without lawful authority, intentionally receives, possesses, uses, transfers, alters, disposes of, or disperses any nuclear material or nuclear byproduct material (emphasis added), or for whoever with intent to deprive another of nuclear material or nuclear byproduct material, knowingly makes an unauthorized use, disposition, or transfer, of nuclear material or nuclear byproduct material belonging to another, or uses fraud and thereby obtains nuclear material or nuclear byproduct material belonging to another.

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Discussion

Although licenses issued by the NRC and Agreement States are not protected as classified or Safeguards Information, or by physical protection measures, the above incident identifies a clear need to be sensitive to potentially inappropriate uses being made of their materials licenses. The incident described above did not present a threat to public health and safety, but raises concerns and highlights an important point regarding the criminal use of radioactive materials. Section 831 of Chapter 39 of Title 18 of the U.S. Code represents a significant expansion of Federal Bureau of Investigation jurisdiction to initiate criminal investigations and pursue prosecutions when radioactive materials are involved. The above-cited incident called for the use of this newly expanded jurisdiction.

Addressees should be aware that licenses and radioactive materials could be intentionally used in an unauthorized manner that could lead to serious consequences and could result in prosecution under Federal criminal law.

This information notice requires no specific action or written response. If you have any questions about the information in this notice, please contact the technical contact listed below.

orig /s/'d by

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Elizabeth Q. Ten Eyck, Director
 Division of Fuel Cycle Safety
 and Safeguards
 Office of Nuclear Material Safety
 and Safeguards

Jack W. Roe, Acting Director
 Division of Reactor Program Management
 Office of Nuclear Reactor Regulation

Technical contact: John Davidson, NMSS
 (301) 415-8130
 E-Mail: jjd@nrc.gov

Attachments:

1. List of Recently Issued NMSS Information Notices
2. List of Recently Issued NRC Information Notices

*See Previous Concurrence

Tech Editor has reviewed and concurred on 10/3/97

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DATE	10/10/97		1/20/98		10/20/98		2/10/98		2/11/98

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**LIST OF RECENTLY ISSUED
 NMSS INFORMATION NOTICES**

Information Notice No.	Subject	Date of Issuance	Issued to
98-04	1997 Enforcement Sanctions for Deliberate Violations of NRC Employee Protection Requirements	2/9/98	All U.S. Nuclear Regulatory Commission licensees.
98-01	Thefts of Portable Gauges	1/15/98	All portable gauge licensees
97-91	Recent Failures of Control Cables Used on Amersham Model 660 Posilock Radiography Systems	12/31/97	All industrial radiography licensees
97-89	Distribution of Sources and Devices Without Authorization	12/29/97	All sealed source and device manufacturers and distributors
97-87	Second Retrofit to Industrial Nuclear Company IR100 Radiography Camera, to Correct Inconsistency in 10 CFR Part 34 Compatibility	12/12/97	All industrial radiography licensees
97-86	Additional Controls for Transport of the Amersham Model No. 660 Series Radiographic Exposure Devices	12/12/97	Registered users of the Model No. 660 series packages, and Nuclear Regulatory Commission industrial radiography licensees
97-75	Enforcement Sanctions Issued as a Result of Deliberate Violations of NRC Requirements	09/24/97	All U.S. Nuclear Regulatory Commission licensees
97-72	Potential for Failure of the Omega Series Sprinkler Heads	09/22/97	All holders of OLS or CPs for nuclear power reactors and fuel cycle facilities
97-65	Failures of High-Dose-Rate Remote Afterloading Device Source Guide Tubes, Catheters, and Applicators	08/15/97	All high-dose-rate remote afterloader licensees

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 NRC INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
97-45, Supp. 1	Environmental Qualification Deficiency for Cables and Containment Penetration Pigtails	2/17/98	All holders of operating licenses for nuclear power reactors except those licensees who have permanently ceased operations and have certified that the fuel has been permanently removed from the reactor vessel.
98-05	Criminal History Record Information	2/11/98	All holders of operating licenses for power reactors
98-04	1997 Enforcement Sanctions for deliberate Violations of NRC Employee Protection requirements	2/9/98	All U.S. Nuclear Regulatory Commission licensees
98-03	Inadequate Verification of Overcurrent Trip Setpoints in Metal-Clad, Low-Voltage Circuit Breakers	1/21/98	All holders of operating licenses for nuclear power reactors
98-02	Nuclear Power Plant Cold Weather Problems and Protective Measures	1/21/98	All holders of operating licenses for nuclear power reactors
98-01	Thefts of Portable Gauges	1/15/98	All portable gauge licensees
97-91	Recent Failures of Control Cables Used on Amersham Model 660 Posilock Radiography Systems	12/31/97	All industrial radiography licensees
97-90	Use of Nonconservative Acceptance Criteria in Safety-Related Pump Surveillance Tests	12/30/97	All holders of OLs for nuclear power reactors except those who have ceased operations and have certified that fuel has been permanently removed from the vessel
97-89	Distribution of Sources and Devices Without Authorization	12/29/97	All sealed source and device manufacturers and distributors

OL = Operating License
 CP = Construction Permit

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