



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

June 23, 2003

Docket No. 99990001

General Licensee

Larry Waslow
Liquidating Agent
Recovery Services, Inc.
4 Neshaminy Interplex
Suite 103
Trevose, PA 19053

SUBJECT: INSPECTION 99990001/2002001, ALDAN RUBBER COMPANY,
PHILADELPHIA, PENNSYLVANIA AND S.D. RICHMAN AND SONS, INC.,
PHILADELPHIA, PENNSYLVANIA

Dear Mr. Waslow:

Mr. John Wetzel of Swartz Campbell, LLC recently advised the NRC that correspondence for the former Aldan Rubber Company should be sent to your attention. This letter is in reference to an inspection conducted at the former Aldan Rubber site. On February 7, 2002, Leanne M. Harrison and Judith A. Joustra of this office conducted a safety inspection at the Aldan Rubber Company, 2701 East Tioga Street, Philadelphia, Pennsylvania and the S.D. Richman and Sons, Inc., 2435 Wheatsheaf Lane, Philadelphia, Pennsylvania of activities authorized by the general license contained in 10 CFR 31.5. Additional information was obtained on various dates including February 13, 2002, March 21, 2002 and June 7, 2003. The inspection included a review of the disposition of generally licensed (GL) devices containing byproduct material.

The purpose of this letter is to obtain a formal response regarding proper disposition of a generally-licensed thickness-density gauge containing byproduct material that was originally shipped to Aldan Rubber Company at 2701 East Tioga Street, Philadelphia, PA and is currently being stored at S.D. Richman and Sons, Inc., Philadelphia, PA. In addition, we need information concerning the status of three generally licensed exit signs containing tritium manufactured by Brandhurst, Inc. which were also installed at the East Tioga Street address.

The gauge, an Indev Model No. 015030 contained 190 millicuries of krypton-85 and was shipped by the Barber Colman Company to Aldan Rubber in 1985. In late March or early April 2001 Aldan Rubber sold some of the operational equipment to Aldan Acquisitions, Co., and late in October 2001 or early in November 2001 the building at 2701 East Tioga and the remaining contents including a Vinyl Machine with the associated Indev gauge, were sold to Pepper Environmental Services, Inc. Available information indicates the Indev gauge and three exit signs containing tritium were installed at that location when the facility was transferred to Pepper Environmental Services, Inc, but that the requirements for notification and reporting contained in 10 CFR 31.5(c)(9) were not met.

Certified Mail
Return Receipt Requested

L. Waslow
Aldan Rubber Company

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This issue came to our attention when a damaged gauge containing radioactive material was found at S.D. Richman and Sons, a scrap metal dealer in Philadelphia in February 2002. The label on the gauge indicated that the gauge originally contained 190 millicuries of krypton-85. The serial number was traced and we found that the gauge had been installed at 2701 East Tioga Street, Philadelphia, PA. On February 7, 2002, NRC inspectors toured the East Tioga Street property and were told that it had been under renovation since approximately October 2001 and that scrap metal had been removed from the Tioga Street facility and taken to the S.D. Richman and Sons facility.

The transfer disposal of the gauge and the three exit signs containing tritium to Pepper Environmental without taking the actions required by 10 CFR 31.5(c)(9) is an apparent violation of NRC regulations. This violation apparently caused the improper disposal of these devices. Such a violation may result in enforcement action including a Notice of Violation and imposition of a civil penalty. Enclosed is a copy of the NRC's General Statement of Policy and Procedure for NRC Enforcement Actions (Enforcement Policy). Since it appears that the violation associated with this violation was not intentional, it is likely we will not take enforcement action if the gauge currently at S.D. Richman and Sons is disposed of properly and reasonable efforts are made to locate and dispose of the exit signs.

Aldan Rubber is required to submit a written response within thirty (30) days of the date of this letter describing their plans in this matter including any actions to dispose of the gauge and to identify the location and properly transfer or dispose of the three tritium exit signs. Failure to respond to this letter will cause us to consider what enforcement action is appropriate.

In accordance with 10 CFR 2.790, a copy of this letter and your response will be placed in the NRC Public Document Room (PDR) and will be accessible from the NRC Web site at <http://www.nrc.gov/reading-rm.html>. To the extent possible, your response should not include any personal privacy or proprietary information so that it can be placed in the PDR without redaction.

If you have any questions, please contact either Ms. Judy Joustra of my staff, at (610) 337-5355 or Ms. Leanne Harrison, at (610) 337-6926.

Thank you for your cooperation.

Sincerely,

Original signed by John D. Kinneman

John D. Kinneman, Chief
Nuclear Materials Safety Branch 2
Division of Nuclear Materials Safety

Enclosures:

1. NUREG-1600 (Enforcement Policy)
2. 10 CFR 30, 31

L. Waslow
Aldan Rubber Company

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cc: Commonwealth of Pennsylvania

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