UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

April 26, 2005

Mr. Alvin Katz, CEO
Best Lighting Products, Inc.
6775 Speedway Blvd., Suite 106
Las Vegas, Nevada 89115

SUBJECT: NRC INSPECTION REPORT 999-90004/05-001 AND NOTICE OF VIOLATION

Dear Mr. Katz:

This report refers to the inspection conducted on January 26, 2005, at your facility in Las Vegas, Nevada. The inspection was limited to an examination of activities surrounding Best Lighting Products, Inc.'s receipt of three shipments of packages containing radioactive waste from its subsidiary company located in the United Kingdom. Within these areas, the inspection consisted of selected examination of procedures and representative records and interviews with personnel. A preliminary exit briefing was conducted with Mr. E. Maxwell Malone, your former Radiation Safety Officer and Ms. Dixie O'Dou, your consultant on this matter, on January 26, 2005, at the conclusion of the onsite portion of the inspection. A final telephonic exit briefing was conducted with you and Ms. Tiffanie Henderson, your current Radiation Safety Officer, on April 20, 2005.

Based on the information developed during the inspection, the NRC has determined that a violation of NRC requirements occurred. The violation involves the failure to file an application with the NRC for a specific license to import radioactive waste. The violation was evaluated in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The current Enforcement Policy is included on the NRC's website at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. The violation is cited in the enclosed Notice of Violation (Notice) because it was identified by the NRC during the inspection, rather than being self-identified by the licensee.

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, an excerpt from 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 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the 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). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

Should you have any questions concerning this inspection or this report, please contact Ms. Christi Maier at (817) 860-8217 or me at (817) 860-8287.

Sincerely,

/RA RA Leonardi for/

Jeffrey Cruz, Chief
Nuclear Materials Inspection Branch

Docket No.: 999-90004
License No.: N/A

Enclosures:
1. Notice of Violation
2. NRC Information Notice 96-28

cc w/Enclosure 1:
Nevada Radiation Control Program Director

bcc w/Enclosure 1 (via ADAMS distrib):
PKHolahan
CLCain
JCruz
JEWhitten
SDembek, OIP (SXD)
MCMaier
MLMcLean
KEGardin
NMIB
RIV Materials Docket File (5th Floor)

SISP Review Completed: Initials: MCM

ADAMS: : Yes 9 No Initials:

: Publicly Available 9 Non-Publicly Available 9 Sensitive : Non-Sensitive

DOCUMENT NAME: s:\DNMS\!Nmib\!Maier C\59000401.wpd final r:_dnms

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ENCLOSURE

NOTICE OF VIOLATION

Best Lighting Products, Inc.
Las Vegas, Nevada

Docket No. 999-90004
License No. N/A

During an NRC inspection which concluded on April 20, 2005, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

> 10 CFR 110.27(c) states, in part, that the general license in §110.27(a) does not authorize the import of radioactive waste, other than radioactive waste that is being returned to a United States Government or military facility.
>
> 10 CFR 110.31 requires, in part, that a person shall file an application for a specific license to import nuclear material with the Deputy Director of the NRC's Office of International Programs.
>
> Contrary to the above, between August 20 and October 6, 2004, the licensee imported three shipments of packages containing radioactive waste from the United Kingdom and did not file an application for a specific license to import nuclear material in accordance with 10 CFR Part 110.31. Specifically, on August 20, September 16 and October 6, 2004, the licensee imported shipments of tritium contaminated waste from Best Lighting Products (UK) Ltd., a subsidiary company which is located in Weldon, Corby, Northants, United Kingdom. Although the shipments were described on the respective shipping papers as "radioactive materials, excepted package - articles, UN 2911," the packages in each shipment contained various configurations and quantities of signs marked "exit," signs marked "salida," broken glass tubes, and other assorted devices contaminated with tritium and unusable by the licensee.
>
> This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Best Lighting Products, Inc., is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555, with a copy to the Regional Administrator, Region IV, 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, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear

Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html, 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. 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 2.390(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 April 2005.