

November 22, 2005
EN 05-052

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Sabia, Inc. (EA-05-123)
San Diego, CA 92111
Docket No. 030-35997

Subject: CONFIRMATORY ORDER MODIFYING LICENSE (EFFECTIVE IMMEDIATELY)

This is to inform the Commission that a Confirmatory Order, Effective Immediately, will be issued on or about November 22, 2005 to Sabia, Inc. modifying the license in accordance with the settlement agreement reached during an Alternate Dispute Resolution (ADR) meeting held in RIV, Arlington, Texas on August 31, 2005.

The action is based on an NRC inspection and an investigation by the NRC's Office of Investigation (OI), which identified two apparent violations that were being considered for escalated action. Specifically, the first apparent violation involved Sabia's failure to comply with NRC's reciprocity requirements when it did not comply with all terms and conditions of its State of California byproduct material license while using licensed material in NRC jurisdiction. The second apparent violation occurred when Sabia effectively transferred licensed material to person who were not authorized to receive such material under the terms of a specific or general license. Further, the NRC was concerned that willfulness was associated with the first apparent violation.

In summary, as part of the ADR settlement agreement, Sabia has acknowledged that there were violations, but did not agree that willfulness was involved. Sabia also agreed to provide its employees with additional training and to conduct additional audits. As part of the settlement agreement and in consideration of and exchange for Sabia's adequate implementation of the additional actions (training and audits), the NRC has agreed not to draw any conclusion on whether willfulness was involved and has agreed not to pursue any further enforcement actions related to these specific issues and violations identified in NRC's inspection report of July 14, 2005.

Mailing of Notice
Telephone Notification of Licensee

November 22, 2005
November 22, 2005

The States of California and Idaho will be notified.

The licensee has thirty days from the date of the Notice in which to respond. Following NRC evaluation of the response, the civil penalty may be remitted, mitigated, or imposed by Order.

Contacts: Audrey Hayes, OE, 415-3121 Christopher Nolan, OE, 415-3360

**PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**

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