SENSITIVE ALLEGATION MATERIAL

August 8, 2000

MEMORANDUM TO: Brent Clayton, Enforcement/Investigation Officer, EICS

FROM: Cynthia D. Pederson, Director, DNMS */RA by R. Caniano Acting for/*

SUBJECT: POSSIBLE DELIBERATE MISCONDUCT: CE NUCLEAR POWER, HEMATITE, MISSOURI

[redacted]

Ex. 2+4

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License No. SNM [Special Nuclear Material]-33, Safety Condition S-1 states, in part, that the licensee is authorized to use SNM in accordance with the statements and representations in Chapters 1 through 8 of the application. Section 2.6 of Chapter 2 requires, in part, that operations which affect licensed material shall be conducted in accordance with approved written procedures. Our inspectors reviewed Operations Sheet No. 816.00, "Handling Requirements for Erbia Contaminated Material," an approved written procedure effective on January 28, 1999, which required that, "All erbia residues must have a material control number beginning with a 9... If the residue does not meet these requirements, it may not be removed from the erbia plant." Our inspectors were not able to review the licensee's final investigation report, as the report was still in concurrence; thus, the actual source of the erbia residue pellets found outside the Erbia Plant remained uncertain. However, none of the pellet residues appeared to have a material control number beginning with a 9.

In addition, our inspectors identified an apparent violation of 10 CFR 70.10 (Deliberate Misconduct). We recommend that this issue be discussed at the next scheduled ARB with OI present.

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