



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

February 28, 2006

EA-05-174

Mr. Jalal Hamshari
President
Star-Lite Global, Inc.
264 S. La Cienega, Ste 1229
Beverly Hills, California 90211

**SUBJECT: NOTICE OF VIOLATION AND EXERCISE OF ENFORCEMENT DISCRETION
(NRC INSPECTION REPORT 999-90004/05-009, OI REPORT
NOS: 4-2003-020 AND 4-2003-020S)**

Dear Mr. Hamshari:

This refers to the inspection and investigation conducted from May 28, 2003, to September 7, 2005, at your facility in Burbank, California. The inspection and investigation examined your activities as they relate to radiation safety and to compliance with the Commission's rules and regulations involving specialty light bulbs containing krypton-85. Within these areas, the inspection and investigation consisted of selected examination of procedures and representative records, observation of activities and interviews with your personnel. Our findings were provided to you in our letter dated October 5, 2005.

In the letter transmitting the inspection report, we provided you the opportunity to address the apparent violation identified in the report by either requesting a predecisional enforcement conference, by providing a written response or by requesting alternative dispute resolution, before we made our final enforcement decision. In a letter dated November 18, 2005, your attorney, on your behalf, provided a written response to the apparent violation. In the letter, you explained that Star-Lite stopped importing and distributing any light fixtures and bulbs containing Krypton-85 (Kr-85) over two years ago, Star-Lite has been and intends to comply with NRC requirements, Star-Lite plans to file for bankruptcy to dissolve the corporation, and there is no concern that Star-Lite would distribute unlicensed/unregistered radioactive material in the future because the company will no longer be operational.

Based on the information developed during the inspection and investigation, and the information that you provided in your response to the inspection report, the NRC has determined that a violation of NRC requirements occurred. This violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation involved the failure to obtain an exempt distribution license, as required by 10 CFR 30.15, prior to transferring specialty light bulbs containing radioactive material (Kr-85). After becoming aware of your unauthorized activities, the NRC reviewed these light bulbs and found that they were identical in design to other Kr-85 bulbs that are approved for distribution, with the exception that the bulbs did not have the appropriate labeling as required. Your failure to obtain an NRC license before distributing these products is significant because it denied us the opportunity to review the Kr-85 bulbs prior to

distribution in order to ensure the safety of members of the general public. Of additional concern, we have determined that willfulness is associated with this violation. Therefore, this violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level III.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$6,500 is considered for a Severity Level III violation. However, based on the facts that Star-Lite Global stopped importing and distributing the Kr-85 bulbs by the fall of 2003, no longer operates or conducts transactions, plans to file for bankruptcy, and the low safety significance of the Kr-85 bulbs that you distributed, the NRC is exercising discretion to refrain from issuing a civil penalty in this case. However, please be aware that future violations can result in NRC civil enforcement actions.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and the actions you plan to take and the date when full compliance was achieved is already adequately addressed on the docket in our inspection report and in the November 18, 2005, letter from your attorney. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure 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>. The NRC also includes significant enforcement actions on its Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Significant Enforcement Actions**.

Sincerely,

/RA/

Bruce S. Mallett
Regional Administrator

Docket No. 999-90004

Enclosure: As Stated

cc (w/enclosure):
California Radiation Control Program Director

Mona S. Farraj
Attorney at Law
3890 11th Street, Suite 217
Riverside, California 92501

bcc w/enclosure (via ADAMS e-mail distribution):

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|------------------|------------------------|
| Vasquez - GMV | V Campbell, VHC |
| R4ALLEGE | Mallett - BSM1 |
| Gwynn - TPG | Dricks - VLD |
| Fuller - KSF | Maier - WAM |
| Wert - LXW1 | Whitten - JEW1 |
| KGardin - KEG | Shaffer - MRS |
| Cain - CLC | Spitzberg - DBS |
| L Donovan, NMIB | McLean - MLM1 |
| Morell - GKM | Michele Burgess - MLB5 |
| S. Merchant - OE | D White, OI:RIV |

SUNSI Review Completed: Initials: lxd

ADAMS: Yes No Publicly Available Non-Sensitive

DOCUMENT NAME: E:\Filenet\ML060590666.wpd

| RIV:DNMS:NMIB | ACES | C:NMIB | D:DNMS | RC:D:ACES |
|----------------------------|-----------|------------------------|---------|-----------|
| LXDonovan* | M Vasquez | M Shaffer | L Wert | K Fuller |
| / RA / | /RA/ | /RA/ | /RA/ | /RA/ |
| 12/27/05 | 1/27/06 | 2/1/06 | 2/1/06 | 2/1/06 |
| OE | NMSS | OGC | DRA | RA |
| M Johnson | M Burgess | J Hull | P Gwynn | BSMallett |
| per S Merchant by Email | by email | per S Merchant by E | /RA/ | /RA/ |
| 2/15/06 | 2/14/06 | 2/15/06 | 2/2/06 | 2/28/06 |

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*denotes previous concurrence

ENCLOSURE

NOTICE OF VIOLATION

Star-Lite Global, Inc.
Beverly Hills, California

Docket No. 999-90004
EA-05-174

During an NRC inspection and investigations conducted from May 28, 2003, to September 7, 2005, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.3 requires, in part, that except for persons exempted, no person shall transfer byproduct material except as authorized in a specific or general license issued pursuant to Title 10, Chapter 1, Code of Federal Regulations.

10 CFR 30.15(b) requires that any person who desires to apply byproduct material to, or to incorporate byproduct material into, the products exempted in 10 CFR 30.15(a), or who desires to initially transfer for sale or distribution such products containing byproduct material, should apply for a specific license pursuant to 10 CFR 32.14, which license states that the product may be distributed by the licensee to persons exempt from the regulations pursuant to 10 CFR 30.15(a).

Contrary to the above, from 2001 to 2004, Star-Lite Global Inc. transferred byproduct material without a general or specific license. Specifically, Star-Lite Global Inc. imported and then distributed specialty electrical lighting fixtures with bulbs containing krypton-85, without a specific license issued by the NRC pursuant to 10 CFR Parts 30.3, 30.15(b) and 32.14.

This is a Severity Level III violation (Supplement VI).

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in NRC Inspection Report 999-90004/05-009 and in your letter dated November 18, 2005 (given that the licensee is no longer distributing the bulbs). However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation, EA-05-174" and send it 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). If you choose to respond, 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>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Dated this 28th day of February 2006