



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

May 17, 2006

Docket No. 03035219

License No. 52-25486-01

Jose Serrano
Administrator
Hospital San Carlos Imaging Center
1822 Ponce de Leon Avenue
San Juan, PR 00909-1905

SUBJECT: HOSPITAL SAN CARLOS IMAGING CENTER, FACILITY BANKRUPTCY AND
REQUEST FOR STANDBY LICENSE, CONTROL NO. 138452, AND NRC
INSPECTION NO. 03035219/2006001

Dear Mr. Serrano:

This is in reference to your letter dated February 15, 2006, requesting to amend Nuclear Regulatory Commission License No. 52-25486-01, and to an inspection conducted at your facility on February 22, 2006. The inspection was continued in the Region I office to review the status of the facility and licensed material. The findings of the inspection were discussed with you on February 22, 2006, with followup communications through April 25, 2006.

The inspection revealed that the Hospital San Carlos Imaging Center had filed for bankruptcy. Specifically, during the inspection, you provided us with a copy of an Order from the United States Bankruptcy Court for the District of Puerto Rico, which indicated the hospital filed for bankruptcy on June 24, 2003. NRC requirements for licensees that are the subject of a bankruptcy filing can be found in 10 CFR 30.34(h). The purpose of this regulation is to ensure that public health and safety is adequately protected and that all licensed radioactive material is properly controlled. Any licensee who is involved in a bankruptcy proceeding, either voluntarily or involuntarily, under any chapter of the bankruptcy law must notify the appropriate NRC Regional Administrator in writing immediately after the filing. The notification must include the identity of the bankruptcy court in which the petition was filed and the date the petition was filed.

Based on the information reviewed during the inspection, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice). The NRC has concluded that information regarding the reasons for the violations, and the corrective actions taken and planned to correct the violations is already adequately addressed on the docket in this letter and in a copy of the bankruptcy filing provided to the inspector during the inspection. Therefore, you are not required to respond to the violation in 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. We request your assistance in providing to us the names, addresses and telephone numbers of any other entities who may be affected by the bankruptcy, including companies that may acquire the hospital or other affiliated company holding an NRC or Agreement State license. Please reply to my attention at the Region I office within 30 days of the date of this letter.

Additionally, during the inspection we reviewed the certificate of transfer of the radioactive material previously used by the hospital. We determined that all licensed materials were properly transferred and that there is no residual contamination at your facility. We also found that the staff involved in the program, including the radiation safety officer, are no longer with the hospital. In response to your request to change the license status, it is appropriate to terminate the license since licensed materials were disposed and principal activities have ceased. We are not willing to continue a license when no qualified personnel are present and no activities are planned. Accordingly, you should either: (i) request license termination; or (ii) if there will be active use of licensed material, submit information indicating any changes in the radiation safety program, and how you will meet the staffing and resource commitments necessary to operate the program.

Current NRC regulations are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Industrial, and Academic Uses of Nuclear Material**; then **Toolkit Index Page**. The current Enforcement Policy is included on the NRC's website at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. Or you may obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 9:00 p.m. EST, Monday through Friday (except Federal holidays).

If you have any questions, please contact me at (610) 337-5252 or Mr. Craig Gordon of my staff at (610) 337-5216.

Sincerely,

***Original Signed by
Judith A. Joustra for***

John D. Kinneman, Chief
Security and Industrial Branch
Division of Nuclear Materials Safety

Enclosure:
Notice of Violation

cc:
Commonwealth of Puerto Rico

J. Serrano

3

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NOTICE OF VIOLATION

Hospital San Carlos Imaging Center
San Juan, PR

Docket No. 03035219
License No. 52-25486-01

During an NRC inspection conducted on February 22- April 25, 2006, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

- A. 10 CFR 30.34(h) requires, in part, that each specific licensee notify the appropriate NRC Regional Administrator, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any chapter of title 11 (Bankruptcy) of the United States Code.

Contrary to the above, as of February 22, 2006, the licensee had not notified the NRC Region I Administrator, in writing, regarding filing of the petition for bankruptcy under chapter of title 11 (Bankruptcy) of the United States Code that occurred on June 24, 2003.

This is a Severity Level IV 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 will be achieved is already adequately addressed on the docket. 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," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, any response which contests an enforcement action shall be submitted under oath or affirmation.

Your response will be placed in the NRC Public Document Room (PDR) and on the NRC Web site. To the extent possible, it should, therefore, not include any personal privacy, proprietary, or safeguards information so that it can be made publically available without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated This 17th day of May 2006