



APR 21 1969

Memorandum for Isotopes, Inc. Case File

SAFEGUARDS INSPECTION NO. SO-I-5, ISOTOPES INC., MIDDLE RIVER, MD.

Subject report was reviewed by NMS staff and resulted in the following conclusions:

Para. 4.01 (c) - The District I Safeguards Office stated that Isotopes, Inc. was in violation of Title 10 CFR 70.51 (a) and (b)(1) in that they did not have a set of accounting records and procedures. They stated that the Isotopes "records" consisted of scraps of paper and transfer documents which are definitely not records according to proper accounting practices. Checking with OGC and the Safeguards Office to confirm whether there was in fact a violation, it was determined that if one spent sufficient time with a calculator and the aforementioned scraps of paper and transfer documents, one could satisfy requirements of 10 CFR 70.51 (a) and (b)(1). On this basis, we are suggesting that the letter to the licensee indicate that they have a serious deficiency in their safeguards procedures.

Para. 4.01 (e) - The licensee had not submitted an FMC up to the time of the inspection on January 13, 1969. However, since (1) a partial FMC was submitted to NMS about two weeks after the inspection (2/5/69) and (2) Isotopes, Inc. on April 5, 1969, submitted an application to reduce their authorized limit to 5,000 grams of U-235, it is recommended that no notice of violation be sent on this matter.

It is recommended that the attached letter be sent to the licensee.

Original signed by
H. V. Werner

H. V. Werner, Staff Assistant
for Engineering, DNMS

Attachment:
Draft Ltr to Licensee

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