



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

October 2, 2008

Docket No. 03032029

License No. 52-25133-01

Jennifer O'Neill
President/Radiation Safety Officer
S&M Testing Laboratory
Valle Santa Barbara
Calle Soto, Solar C
Gurabo, PR 00778

**SUBJECT: REMOVAL & DISPOSITION OF LICENSED MATERIAL, S&M TESTING
LABORATORY, CAGUAS, PUERTO RICO**

Dear Ms. O'Neill:

This refers to your above listed NRC license, and the radioactive material (11 portable moisture/density gauges) that S&M Testing Laboratory had possessed, under the above NRC license. These gauges were stored for an extended period of time at a location not authorized by the license.

On August 6, 2008, Sattar Lodhi, Senior Health Physicist, of my staff, provided you with a copy of a NRC Order to you dated April 4, 2008, revoking your license for non-payment of required fees. The NRC Order also required you to arrange for disposal or transfer to an authorized recipient of all licensed material. Additionally, Dr. Lodhi explained to you the NRC requirements for the security of stored portable gauges that you possessed. In response to this discussion, you told Dr. Lodhi that you were not using the gauges and the gauges could be removed by the NRC.

In a letter dated September 18, 2008, we reminded you of the need for you to come into compliance with NRC regulations, including prompt transfer of the gauges to an authorized recipient. The letter also offered to assist you in transferring the gauges to an authorized recipient at no immediate cost to you. On September 23, 2008, Raymond Lorson and Jim Schmidt of my staff met with you at the unauthorized storage location. On that day, you consented to have the gauges removed from the unauthorized storage location. You also stated that NRC could "get rid" of the gauges and that the unauthorized storage location was owned by your husband, Alex Osorio. Later that same day, Mr. Lorson discussed with Mr. Osorio the planned removal of the gauges. Mr. Osorio stated that the NRC could remove the gauges. Subsequently, on September 23, 2008, the gauges were removed from the unauthorized storage location by an authorized contractor, and the 11 gauges are currently stored at a secure authorized storage location.

Certified Mail
Return Receipt Requested

Because your license was revoked, you were required to transfer or dispose of the gauges. Now that the gauges have been transferred to an authorized recipient as detailed in our September 18, 2008, letter to you, the NRC plans to properly dispose of these gauges. So that there is no misunderstanding of our planned next action, we request that you confirm as soon as possible that you agree that NRC can dispose of the gauges. If you object to the disposal of these gauges or disagree with my recitation of the events in this letter, you must notify me in writing within 30 days from the date of this letter. If we do not hear from you within the specified period, the gauges will be transferred for disposal.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be 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>.

If you have any questions, please call Marie Miller of my staff at (610) 337-5205.

Sincerely,

/RA/

John D. Kinneman, Director
Division of Nuclear Materials Safety

Enclosure:
NRC Letter dated September 18, 2008

cc w/encl:
Alex Osorio
Commonwealth of Puerto Rico

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John D. Kinneman, Director
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NRC Letter dated September 18, 2008

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