

NOTICE OF VIOLATION

CampCo, Inc.
Smith & Wesson Watch Division
Los Angeles, California 90016

Docket No. 030-36619
License No. 04-23910-01 E
EA-14-080

Based on the 2013 and 2014 Nuclear Regulatory Commission (NRC) investigation and records inspection of the CampCo, Inc. distribution of watches containing byproduct material (hydrogen-3), four violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the NRC proposes to impose a total civil penalty of \$28,000 pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and Title 10 of the *Code of Federal Regulations* (CFR) 2.205. The particular violations and associated civil penalties are set forth below:

Violation 1

10 CFR 30.3(a), "Activities requiring license" provides, in part, that " ... no person shall manufacture, produce, transfer, receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in this chapter."

10 CFR 30.15(b) provides, in part, that, "Any person who desires to... initially transfer for sale or distribution [the products exempted in paragraph (a) of this section] should apply for a specific license ... "

10 CFR 30.15(a) provides, in part, that any person who receives timepieces that contain no more than 25 millicuries of tritium per time piece is exempt from the requirements of a byproduct license. This exemption specifically excludes persons who initially transfer for sale or distribution those timepieces.

Items 6, 7, 8, and 9 of License No. 04-23910-01 E, dated October 12, 2004, states, in part, that the licensee, CampCo, Inc., is authorized to distribute timepieces containing Hydrogen-3 (tritium) sealed light sources manufactured by SRB Technologies, Inc.

Contrary to the above, between 2005 and March 2013, CampCo, Inc. (licensee) initially transferred, for sale or distribution, timepieces containing Hydrogen-3 (tritium) sealed light sources manufactured by mb-Microtec, instead of SRB Technologies, Inc., to persons exempt from the regulations and did so without first obtaining a specific license or amendment to License No. 04-23910-01 E authorizing distribution of timepieces with mb-Microtec sources.

This is a Severity Level III violation (Section 6.3.c.11)
Civil Penalty - \$7000. (EA-14-080)

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Violation 2

10 CFR 32.16 requires, in part, that each person licensed under 10 CFR 32.14 shall file an annual report detailing all transfers of byproduct material. Under 10 CFR 32.16(c)(1), reports covering the preceding calendar year must be filed on or before January 31 of each year.

Contrary to the above, for multiple years, CampCo, Inc. (licensee) failed to file annual reports by January 31 of the following year detailing all transfers of byproduct material. Specifically, the licensee failed to file annual reports for transfers of byproduct material made in 2010, 2011, 2012, 2013, and 2014 on or before January 31 of the following year.

This is a Severity Level III violation (Section 6.9.c.2)
Civil Penalty - \$7000. (EA-14-080)

Violation 3

For annual reports filed in accordance with 10 CFR 32.16, the following requirements apply:

10 CFR 32.16(a)(1) requires, in part, inclusion of the license number.

10 CFR 32.16(a)(2) requires, in part, that the report must indicate that products were transferred for use under 10 CFR 30.15, giving the specific paragraph designation.

10 CFR 32.16(b)(2) requires, for each radionuclide in each type of product and each model number, if applicable, the total quantity of the radionuclide.

Contrary to the above, CampCo, Inc. (licensee) failed to include all required information in its annual reports filed with the NRC. Specifically, the licensee failed to include the following required information in its annual reports for transfers of byproduct material made in 2010, 2011, 2012, 2013, and 2014: the license number in accordance with 10 CFR 32.16(a)(1); an indication that the products were transferred for use under 10 CFR 30.15, with the specific paragraph designation in accordance with 10 CFR 32.16(a)(2); and, for each radionuclide in each type of product and each model number, if applicable, the total quantity of the radionuclide in accordance with 10 CFR 32.16(b)(2).

This is a Severity Level III violation (Section 6.9.c.2)
Civil Penalty - \$7000. (EA-14-080)

Violation 4

Condition 10 of License No. 04-23910-01 E requires, in part, that each lot of timepieces received, containing tritium for transfer pursuant to 10 CFR 30.15, must be accompanied by a certificate which attests that, the timepieces were manufactured in accordance with recognized industry standards, and that the amount of tritium on the timepieces is not in excess of the amounts authorized in 10 CFR 30.15(a).

Contrary to the above, the licensee failed to ensure that each lot of timepieces received, containing tritium, was accompanied by the required certificate. Specifically, the licensee failed to ensure that each lot received was accompanied by a certificate which attests that the timepieces were manufactured in accordance with recognized industry standards and that the amount of tritium on the timepieces is not in excess of the maximum permissible amount authorized in 10 CFR 30.15(a), including Equipe and Reactor watches transferred to persons exempt from the regulations between 2011 and 2013 and additional watches containing tritium sources that were transferred prior to that time period.

This is a Severity Level III violation (Section 6.3.c.11)
Civil Penalty - \$7000. (EA-14-080)

For Violations 1 and 2, 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 in the CampCo, Inc. docket file (docket 030-36619, available in the NRC Agencywide Documents Access and Management System (ADAMS) at <http://www.nrc.gov/reading-rm/adams.html>). However, if the description therein does not accurately reflect your position or your corrective actions, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 within 30 days of the date of the letter transmitting this Notice of Violation and Proposed Imposition of Civil Penalties (Notice). Your response should be clearly marked "Reply to a Notice of Violation (EA-14-080)", and sent to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville, MD 20852-2738, with copies to the Director, Office of Nuclear Material Safety and Safeguards, U.S., Nuclear Regulatory Commission, Two White Flint North, 11545 Rockville, MD 20852-2738, and the Document Control Desk, Washington, DC 20555-0001.

For Violations 3 and 4, the NRC has concluded that sufficient corrective actions have not yet been achieved. Pursuant to the provisions of 10 CFR 2.201, CampCo, Inc. is hereby required to submit, within 30 days of the date of this Notice, a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with copies to the Director, Office of Nuclear Material Safety and Safeguards, U.S., Nuclear Regulatory Commission, Two White Flint North, 11545 Rockville, MD 20852-2738, and the Document Control Desk, Washington, DC 20555-000. This reply should be clearly marked as a "Reply to a Notice of Violation (EA-14-080)" and should include for each alleged violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the information required. If an adequate response is not received within the time specified in this Notice, the NRC may issue an order or a Demand for Information requiring you to explain why your license should not be modified, suspended, or revoked or why the NRC should not take other proper action. Consideration may be given to extending the response time for good cause shown.

CampCo, Inc. may pay the civil penalties proposed above or the cumulative amount of the civil penalties if more than one civil penalty is proposed, in accordance with NUREG/BR-0254 by submitting to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, a

statement indicating when and by what method payment was made, or may protest imposition of the civil penalties in whole or in part, by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice. Should you fail to answer within 30 days of the date of this Notice, the NRC will issue an order imposing the civil penalties. Should you elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalties, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation (EA-14-080)" and may: (1) deny the violation(s) listed in this Notice, in whole or in part; (2) demonstrate extenuating circumstances; (3) show error in this Notice; or (4) show other reasons why the penalties should not be imposed. In addition to protesting the civil penalties in whole or in part, such answer may request remission or mitigation of the penalties.

In requesting mitigation of the proposed penalties, the response should address the factors addressed in Section 2.3.4 of the Enforcement Policy. Any written answer addressing these factors pursuant to 10 CFR 2.205 should be set forth separately from the statement or explanation provided pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. Your attention is directed to the other provisions of 10 CFR 2.205 regarding the procedure for imposing civil penalties.

Upon failure to pay any civil penalties which subsequently have been determined in accordance with the applicable provisions of 10 CFR 2.205 to be due, this matter may be referred to the Attorney General, and the penalties, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234(c) of the Act, 42 U.S.C. 2282(c).

The responses noted above, i.e., Reply to Notice of Violation, Statement as to payment of civil penalties, and Answer to a Notice of Violation, should be labeled with the case number EA-14-080 and addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, with copies to the Director, Office of Nuclear Material Safety and Safeguards, U.S., Nuclear Regulatory Commission, Two White Flint North, 11545 Rockville, MD 20852-2738, and the Document Control Desk, Washington, DC 20555-0001.

Your response will be made available electronically for public inspection in the NRC Public Document Room or in ADAMS at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary information. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request that such material is withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

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

Dated this 10th day of December, 2015