



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I, Suite 100
2100 RENAISSANCE BLVD.
KING OF PRUSSIA, PA 19406-2713

May 24, 2017

Tracey Pruitt, Senior Product
Safety Engineer
Sharp Electronics Corporation
100 Paragon Drive
Montvale, NJ 07645

SUBJECT: NRC INSPECTION REPORT NO. 03038465/2017001, SHARP ELECTRONICS CORPORATION, MEMPHIS, TENNESSEE SITE AND NOTICE OF VIOLATION

Dear Ms. Pruitt:

This letter refers to the inspection conducted at your Memphis, TN location on April 3, 2017. The inspection continued with an in-office review until May 15, 2017. The inspection was an examination of your licensed activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selective examination of representative records. The letter received from your office dated May 9, 2017, requesting a license amendment was also reviewed as part of this inspection. The findings of the inspection were discussed with you, Patrick White, and Diane G. (Hardy) Amato of your organization via telephone at the conclusion of the inspection on May 16, 2017.

Based on the results of this inspection and in accordance with the NRC Enforcement Policy, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation involved the failure to submit a material transfer report on or before January 31, 2017, for transfers made during the calendar year 2016, as required by 10 CFR 32.16.

The violation is cited in the enclosed Notice of Violation (Notice), because the violation was identified by the NRC. Also, the citation listed in the Notice is a repeat violation that was identified during a previous inspection of your licensed Program. This was documented in the Notice of Violation included in the NRC Inspection Report dated September 5, 2012 (Inspection No. 03038465/2012001; ML12250A609). Although we had verified that you took corrective actions to address the previous violation, the current violation is of concern, because your preventative actions were not effective in preventing recurrence and indicate a lack of attention to detail.

During our inspection exit meeting on May 16, 2017, you indicated that the violation occurred due to an oversight on the part of the responsible individual as that individual was new to the position and was not fully aware of the requirements. You stated that you have taken corrective and preventative actions to address each violation and that Sharp Electronics Corporation is committed to radiation safety and to compliance with NRC regulations and licensed conditions. Further, you stated verbally that you have taken, or will take, the following corrective and preventative actions:

- 1) Within 30 days of this letter, you will file a report of all transfers of byproduct material covering the 2016 Calendar Year; and
- 2) Within 30 days of this letter, you will implement a system of reminders to ensure future transfer reports are submitted to NRC on or before January 31, of each year.

Please note that your corrective actions will be reviewed for effectiveness in future inspections.

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. Therefore, you are not required to respond to this letter unless the description herein 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 in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be made available electronically for public inspection in the NRC Public Document Room and in the NRC's Agency-wide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Current NRC regulations and guidance are included on the NRC's Web Site at www.nrc.gov; select **Nuclear Materials; Med, Ind, & Academic Uses**; then **Regulations, Guidance and Communications**. The current Enforcement Policy is included on the NRC's Web Site at www.nrc.gov; select **About NRC, Organizations & Functions; Office of Enforcement; Enforcement documents**; then **Enforcement Policy (Under 'Related Information')**. You may also obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-866-512-1800. The GPO is open from 8:00 a.m. to 5:30 p.m. EST, Monday through Friday (except Federal holidays).

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web Site at: <http://www.nrc.gov/about-nrc/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

If you have any questions regarding this matter, please contact Scott Wilson of my staff at 610- 337-5136 or via electronic mail at scott.wilson@nrc.gov.

T. Pruitt

3

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Blake D. Welling". The signature is fluid and cursive, with a long horizontal stroke at the end.

Blake D. Welling, Chief
Commercial, Industrial, R&D
and Academic Branch
Division of Nuclear Materials Safety
Region I

Docket No. 03038465
License No. 29-24002-01E

Enclosure:
Notice of Violation

cc w/Enclosure: Patrick White, Senior Director
State of Tennessee

NOTICE OF VIOLATION

Sharp Electronics Corporation
Montvale, NJ

Docket No. 03038465
License No. 29-24002-01E

During an NRC inspection conducted on April 3, 2017, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 32.16 requires, in part, that each person licensed under § 32.14 shall maintain records of all transfers of byproduct material and file a report with the Director of the Office of Nuclear Material Safety and Safeguards; and the licensee shall file the report, covering the preceding calendar year, on or before January 31 of each year.

Contrary to the above, Sharp Electronics Corporation did not file a report of all transfers of byproduct material covering the 2016 Calendar Year on or before January 31, 2017. This is a repeat violation.

This is a Severity Level IV violation (Enforcement Policy Section 6.3).

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, if any, 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 of receipt.

Dated this 24th day of May 2017