OFFICE OF ENFORCEMENT NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

<u>Licensee</u>: Automated Packaging Systems, Inc. EA-18-043

Keyser, WV

Docket No. 99990001 License No. GL-657303-19

Subject: NOTICE OF VIOLATOIN AND PROPOSED IMPOSITION OF CIVIL PENALTY -

\$ 8,500

This is to inform the Commission that a Notice of Violation and Proposed Imposition of Civil Penalty (CP) in the amount of \$8,500 will be issued on or about August 13, 2018, to Automated Packaging Systems, Inc. (licensee), an NRC general licensee. This action is based on two Severity Level (SL) III violations and includes a SL IV problem identified for three violations. The CP is associated with a SL III violation resulting from the licensee's loss of an Americium-241 source contained in a generally licensed fixed guage, contrary to 10 CFR 31.5 requirements for proper transfer and disposal of licensed radioactive material. The second SLIII violation resulted from the licensee failing to provide complete and accurate information, contrary to 10 CFR 31.2, regarding the gauge when the licensee provided a registration form to the NRC in accordance with 10 CFR 31.5 that identified the information on the device had been verified through physical inventory and checking of the label. However, the gauge was not in the licensee's possession at the time to complete such an inventory and check.

Both SLIII violations were addressed in accordance with the CP assessment process in Section 2.3.4 of the NRC Enforcement Policy (Policy). Specifically, the CP for the violation of 10 CFR 31.5 that resulted in the loss of the Amercium-241 source was assessed in accordance with the application of the policy as described in Item f. of Section 8.0: "Table of Base Civil Penalties" that addresses licensee loss, abandonment, improper transfer, or improprer disposal of regulated material. Further, consistent with the Policy the violation of 10 CFR 31.2 is not being identified for a proposed CP because this was the first non-willful SLIII violation in two years or two inspections and credit was warranted for licensee corrective actions.

Pursuant to the Policy, the licensee is being offered the opportunity to engage in the NRC Alternative Dispute Resolution process. Additionally, the licensee has not yet been specifically informed of the enforcement action. The schedule of issuance and notification is on or about the following dates:

Mailing of Notice August 13, 2018
Telephone Notification of Licensee August 13, 2018

The State of West Virginia will be notified.

CONTACTS: Susanne Woods, OE Juan Peralta, OE

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ELECTRONIC DISTRIBUTION: EN-18-010, August 8, 2018

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