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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
101 MARIETTA STREET, N.W.  
ATLANTA, GEORGIA 30303

IE Investigation Report No. 70-1113/79-04 (Summary)

SUBJECT:

General Electric Company  
Wilmington Manufacturing Department  
Docket No. 70-1113

Review of the circumstances sur-  
rounding the theft and return of  
SNM, the material control system,  
health physics evaluation, and the  
industrial security system.

INVESTIGATORS:

A. F. Gibson 3/19/79  
Date  
A. F. Gibson, Chief  
Radiation Support Section  
Fuel Facility and Materials  
Safety Branch

G. H. Williams 3/19/79  
Date  
G. H. Williams, Chief  
Material Control and  
Accountability Section  
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REVIEWED BY:

W. B. Kenne 3/19/79  
Date  
W. B. Kenne, Chief  
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I. SUMMARY

On Monday, January 29, 1979, at 11:45 a.m., Region II was notified by telephone by the General Manager of the Wilmington, North Carolina, General Electric Company plant, that an extortion letter and a sample of  $UO_2$  powder were found at his office door when he came to work about 8:00 a.m. The letter stated that the writer had in his possession two 5-gallon containers of  $UO_2$  powder which he had taken from the plant. The containers were identified in the letter by serial numbers and by the gross weight (approximately 145 pounds total). The letter further stated that enough  $UO_2$  had been removed from one of the containers to furnish samples to newspaper editors, senators, anti-nuclear group leaders and others if his demand for \$100,000 in cash was not met by Thursday, February 1. The writer further stated that after the samples had been delivered, if he had not received the money, one container of  $UO_2$  powder would be dispersed through one unnamed large American city. The  $UO_2$  powder from the second container would be dispersed through another large city if an additional \$100,000 in cash was not provided at that time.

The General Manager verified the authenticity of the container numbers and the fact that the containers were not in their assigned locations.

Region II advised the Office of Inspection and Enforcement, NRC, Headquarters, and the Atlanta office of the FBI. The Atlanta FBI turned the case over to the Charlotte, North Carolina FBI office.

The FBI assumed investigative jurisdiction on Monday, January 29. It was decided not to send NRC investigators to the plant at that time, but that the NRC would wait for further developments and concentrate on planning and related safety evaluations. On Tuesday, January 30, two Region II investigators, knowledgeable in accountability and health physics were sent to the plant to furnish technical expertise in the areas of material control and accountability and health physics, and to review GE activities to determine how the event occurred, without interfering with the FBI investigation.

A temporary employee of a General Electric Company subcontractor was subsequently arrested by the FBI on 2/1/79.

The containers and all the SNM were recovered by the FBI and returned to GE.

II. CONCLUSIONS

The special inspection disclosed that: (a) the material control and accountability system functioned as designed and identified the missing containers in accordance with regulatory requirements; (b) health physics procedures were followed in accordance with regulatory requirements; (c) normal industrial security procedures were followed; and (d) no items of noncompliance with regulatory requirements were identified.

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