

November 2, 1989

U. S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, D.C. 20555

Subject: Reply to a Notice of Violation  
Docket No. 030-20431  
File No. 04-23264-01

cc: Regional Administrator  
Region V, Nuclear Regulatory Commission  
Robert J. Pate, Chief Nuclear Materials  
Safety and Safeguards Branch

Gentlemen:

This letter is in response to your letter of October 26, 1989 concerning the NRC inspection and notice of violation of NDC Systems. This reply is pursuant to the provisions of 10CFR 2.201 and constitutes our written statement and explanation to the Nuclear Regulatory Commission as a reply to a notice of violation.

First we wish to express our appreciation to Mr. Brian A. Parker and Mr. Roy J. Caniano of the Nuclear Regulatory Commission Region III office for their thorough and professional help during the loss and subsequent recovery of the radioactive device and the ensuing inspection.

During their inspection, two violations of the terms of our NRC license were brought to our attention. We wish to inform you that NDC has taken immediate action to be in compliance. We have taken steps to better monitor our compliance and to amend our license to assure continued compliance in the future.

We in no way dispute the findings of the inspection, but we would like to bring to your attention the circumstances that resulted in these violations and the steps that we have taken to correct them. Until April 1989 an authorized user named on our NRC license, Edward Amberg, founder and owner of Promac, Inc. directly supervised the activities of Mr. William Spartz. Further, Mr. Amberg was the primary sales person for NDC equipment. While William Spartz completed the NDC radiation safety program and while he was qualified to perform his activities, he was not authorized to perform them alone, since

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his name had not been added to our license. The sudden death of Mr. Amberg in April of this year resulted in our automatically being in violation of the terms of our license. Following Mr. Amberg's death we overlooked the need to immediately amend our NRC license. In addition Promac added an employee who had also completed the NDC radiation safety training course and was qualified, but not authorized. This individual was Michael Spartz. We therefore acknowledge our violation, although it was inadvertent. We have taken the following steps to return to compliance within our license.

1. No further activities involving NDC gauges shall be performed by Promac personnel until such time as they have been added to NDC's NRC license as authorized users.
2. NDC has made an application to amend our NRC license to include Mr. William Spartz and Mr. Michael Spartz to our NRC license as authorized users.

To avoid possible future violations we will be increasing our license review efforts to include a quarterly review to insure that we are always in compliance.

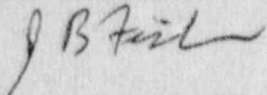
A second violation was cited during the inspection requiring that film badges be worn during gauge demonstrations. Since the inception of our program at Promac in December 1987, film badges have not been worn during gauge demonstrations as stated in the inspection report. I must personally take responsibility for this violation. Under the terms of our California License film badges are not required for use by Sales Personnel performing demonstrations since their potential exposure would be well below the limit set forth in 10CFR Part 20.202 (a)(1). Although we meet this requirement for demonstration of gauges, I inadvertently included this requirement in our license application to the NRC. As a result we fully admit to being in violation of our license condition number 16. We have taken the following steps to correct this violation.

1. Effective immediately all field sales personnel have been issued film badges for use during gauge demonstrations.
2. We have applied for an amendment to our NRC license to remove condition number 16 from the terms of our license, however until such time the amendment is approved, we are in complete compliance with the terms of our NRC license regarding film badges.

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The loss and subsequent recovery of this device showed NDC's complete familiarity and observance with all regulations regarding such an incident. Together with the help of the Nuclear Regulatory Commission Region III, the Michigan State Department of Health and the Detroit Police Department, this incident was successfully and safely resolved. We regret that during the ensuing inspection that we were in violation of two conditions of our license. We are now in full compliance with the terms of our license and have taken steps to ensure that we will remain so. If you require any additional information or have any questions regarding this reply please feel free to contact me directly at 818-358-1871.

Sincerely,  
NDC SYSTEMS



Dr. J. Bert Fishman  
President