

U.S. NUCLEAR REGULATORY COMMISSION  
OFFICE OF INSPECTION AND ENFORCEMENT

REGION III

REPORT OF INVESTIGATION

Report No. 81-01

Facility Name: Cetco, Inc. (Non-Licensee)  
504 Lunt Avenue  
Schaumburg, IL 60193

Period of Investigation: July 14, 1980 through March 2, 1981

Investigation at: Schaumburg, IL

Investigators: R. M. Burton 4/8/81  
R. M. Burton Date

C. H. Weil 4/8/81  
C. H. Weil Date

Inspector: W. J. Adam 4/21/81  
Dr. W. J. Adam Date

Reviewed by: J. F. Streeter 4/24/81  
J. F. Streeter Date  
Acting Director, Enforcement  
and Investigation Staff

D. Wiedeman 4/21/81  
D. Wiedeman, Acting Chief Date  
Materials Radiation Protection  
Section 1

81060302/3

Investigation Summary

Period of Investigation-July 14, 1980 through March 2, 1981 (Report No. 81-01)

Areas Investigated: The investigation was conducted to determine if Cetco, Inc. received, possessed and distributed smoke detectors containing americium-241, without the authorization of a byproduct materials license.

Results: The investigation confirmed that Cetco, Inc. (and its predecessor corporation, Central Electric Time Corp.) did receive, possess and distribute smoke detectors without the authorization of a byproduct materials license. The investigation involved 32 manhours utilizing one inspector and two investigators.

### REASON FOR INVESTIGATION

On July 10, 1980 the Region III office received an allegation that a non-licensee, Cetco, Inc., was engaged in the importation and distribution of smoke detectors containing americium-241.

### SUMMARY OF FACTS

An onsite investigation was conducted at Cetco, Inc. Mr. J. C. Lee, President of Cetco, Inc. was interviewed and it was determined that he had imported, possessed, and distributed smoke detectors containing americium-241 (Am-241) while he was President of Cetco's predecessor corporation, Central Electric Time Corporation. It was also determined Central Electric Time Corp. possessed a byproduct materials license authorizing use of Am-241 for smoke detector research, however, this license was issued subsequent to the time smoke detectors were imported, possessed, and distributed, and did not authorize distribution.

Examination of Lee's records revealed an Immediate Action Letter (IAL) dated January 30, 1980 from Region III to Cetco regarding the possession of the smoke detectors containing Am-241. In essence, all the actions set forth in the IAL had been followed, although not in a timely manner. Correspondence between Lee and the NRC indicated an attempt was being made to secure a license for Cetco authorizing possession and distribution. Lee stated however, he had no intention of importing or distributing smoke detectors in the future.

Lee advised that the majority of the smoke detectors imported and distributed by Central Electric Time Corp. had been returned to the company from where they were imported and approximately 50 to 75 other detectors were being held in storage.

On July 15, 1980 an IAL was issued by Region III confirming an understanding that Cetco would dispose of the smoke detectors containing Am-241 and would notify the Materials Licensing Branch that Cetco was abandoning its request for a byproduct materials license. These actions were to be completed by August 15, 1980.

During a followup interview with Lee on November 19, 1980 it was learned Cetco had not yet disposed of the smoke detectors.

On March 2, 1981, Lee advised that the documents necessary for initiating disposal of the smoke detectors were being forwarded to a commercial disposal firm on that date.

## DETAILS

### 1. Personnel Contacted

#### Cetco, Inc.

Joo Chan Lee, President

#### U.S. Veteran's Administration

Sam Levinrad, Director, Mechanical Engineering Service  
George Fisher, Special Investigator  
Richard Vanderhoof, Special Investigator

#### U.S. Attorney's Office

Warren White, Assistant U. S. Attorney

### 2. Introduction

On July 11, 1980 Jack Metzger of NRC Headquarters advised Region III he had received information from Dick Bukowski, National Bureau of Standards (NBS) that Cetco, Inc. in Schaumburg, Illinois had supplied smoke detectors containing radioactive material to the Veterans Administration, Office of Construction. Metzger indicated the smoke detectors were made in Korea and probably imported and distributed by Cetco, Inc., apparently without authorization of a byproduct materials license. He advised that Bukowski was examining the smoke detectors in cooperation with the Veterans Administration (VA) (Samuel Levinrad was Bukowski's contact) and its investigation into the alleged use of false Underwriter Laboratories (U/L) labels on the detectors. Metzger stated that the detectors Bukowski examined had a label which stated the detector contained "0.9 microcuries of radioactive materials" - possibly americium or radium.

On July 11, 1980 Samuel Levinrad (VA) was telephonically contacted by Region III. Levinrad verified the information related by Bukowski (NBS) to Metzger (NRC) and also advised that the VA had purchased the smoke detectors from J. C. Lee of Central Electric Time Corp. for use in VA hospitals. He stated the Air Force (at Chanute Air Force Base, Illinois) had also purchased detectors from Lee and found they did not meet contract specifications. Levinrad indicated that Warren White, Assistant U.S. Attorney in Danville, Illinois was considering the Air Force's case involving Lee for possible criminal prosecution.



On July 11, 1980 Assistant U.S. Attorney Warren White was telephonically contacted. White confirmed that the U.S. Attorney's Office was considering criminal prosecution of Lee for "fraud against the government". He indicated he had no objections to the NRC pursuing its own investigation regarding the importation and distribution of smoke detectors.

3. Interview with Cetco, Inc. President, J. C. Lee

On July 14, 1980 an onsite investigation was conducted at Cetco, Inc., 504 Lunt Avenue, Schaumburg, Illinois. Mr. Joo Chan Lee, President of Cetco, Inc., related the following information.

Lee stated he had imported and distributed smoke detectors containing americium-241 (Am-241) from Korea in the past, but was not engaged in those activities currently. Lee indicated he was basically a "middle man", importing the smoke detectors into the United States and distributing them to electrical contractors.

Lee was questioned regarding how many smoke detectors were imported and distributed and to whom. Lee indicated that a total of 500 detectors were imported from EWHA Electronics (a joint venture with Hochiki America Corporation) while he was President of Central Electric Time Corporation, Cetco, Inc.'s predecessor. He advised that Central Electric Time Corp. was dissolved and replaced by Cetco, Inc. (Investigator's Note: According to information received from the Illinois Secretary of State's Corporate Information Section, Central Electric Time Corporation was involuntarily dissolved December 1, 1979 and Cetco, Inc. was incorporated February 22, 1979.)

Lee provided copies of February 1978 invoices, copies of which are attached as EXHIBIT A, reflecting the order of the 500 smoke detectors. Lee stated that 475 of the smoke detectors were distributed to Malko Electric in Morton Grove, Illinois during February 1978, for a project at Chanute Air Force Base, and 20 detectors were distributed to Driscoll Electric in Opa Locka, Florida for a project at the Miami Veterans Administration Hospital.

Lee advised that due to some problem with the construction of the smoke detectors, the 475 smoke detectors at Chanute Air Force Base were returned by Malko Electric directly to Hochiki America Corporation. Lee provided a copy of a corrected invoice from Hochiki America Corp., a copy of which is attached as Exhibit B, indicating that was what transpired. He further advised that the return of the 20 detectors distributed to the Miami VA Hospital was requested, but the detectors were never received. Lee provided a copy of a mailgram, attached as Exhibit C, indicating said request was made.

4. Review of Lee's Records

Lee produced a file of written correspondence between Central Electric Time Corporation, Cetco, Inc., and the NRC. The file included a by-product materials license issued to Central Electric Time Corporation

authorizing the use of Am-241 for smoke detector research, a copy of which is attached as Exhibit D. The license issue date was July 24, 1978, and its expiration date is July 31, 1983.

Further examination of the file revealed an Immediate Action Letter (IAL) from the Region III office dated January 30, 1980, a copy of which is attached as Exhibit E.

The IAL confirmed an understanding that Cetco, Inc. would:

- (1) Immediately place the Am-241 in its possession into locked storage.
- (2) Immediately place the smoke detectors in its possession into locked storage.
- (3) Either make arrangements for the authorized disposal of the byproduct material or make application for a license for the possession and use of the byproduct material in accordance with applicable federal regulations.

The IAL stated it was understood that one or the other of the actions described in Item 3 be completed by February 15, 1980.

Lee's file also contained a copy of a letter from Cetco, Inc. to NRC's Radioisotope Licensing Branch dated March 10, 1980, a copy of which is attached as Exhibit F. Enclosed with this letter (which was apparently prompted by the January 30, 1980 IAL) were the following:

1. A copy of Central Electric Time Corporation's byproduct material license application dated March 6, 1978, requesting a license authorizing use of americium-241 in manufacturing and distribution.
2. A copy of an April 10, 1978 letter from Central Electric Time Corporation to NRC's License Fee Management Branch (LFMB), indicating that the true intent of the March 6, 1978 application was to seek authorization to import smoke detectors from Korea for purposes of storage and marketing (distribution).
3. A copy of a letter dated June 28, 1978 from NRC's Radioisotope Licensing Branch to Central Electric Time Corporation advising that additional information regarding the smoke detectors was needed to further consider their materials license application.
4. A copy of Central Electric Time Corporation's Byproduct Materials License No. 12-17515-01 authorizing use of americium-241 for smoke detector research.

The letter advised that title to the research project involving smoke detectors (and apparently their possession) had been transferred from Central Electric Time Corporation to Cetco, Inc., as of April 1979. The letter concluded by requesting advice in obtaining a license under the new corporation name of Cetco, Inc.

Based on this information, the transfer by Central Electric Time of smoke detectors containing licensed byproduct material (Am-241) to Cetco, Inc., an unauthorized recipient (non-licensee), is in violation of 10 CFR 30.41.

In addition, the receipt and possession of the smoke detectors by Cetco, Inc. without the authorization of a byproduct materials license is in violation of 10 CFR 30.3.

A further review of Lee's file revealed a letter from LFMB dated April 9, 1980, a copy of which is attached as Exhibit G, acknowledging receipt of the March 10, 1980 Cetco letter. The April 9, 1980 LFMB letter requested an application fee and additional clarifying information regarding whether Cetco would be manufacturing or importing the smoke detectors. A subsequent LFMB letter dated June 20, 1980 a copy of which is attached as Exhibit H, advised Cetco that unless the NRC heard from them within 30 days from the date of the letter, the license application would be considered abandoned. Lee indicated he had not yet replied to the June 20, 1980 letter.

5. Inspection of Cetco, Inc. Facilities

An inspection of Cetco's facilities was conducted and it was determined that the only byproduct material on the premises was Am-241, contained in approximately 50 to 75 smoke detectors. These smoke detectors were observed to be in a lockable storage area on Cetco's premises. Examination of three different model smoke detectors showed Am-241 sources containing from 0.6 to 3.0 microcuries.

6. Review of NRC Records

A review of NRC licensing records revealed that Central Electric Time Corporation never possessed a license authorizing distribution of devices containing Am-241. The license Central Electric Time was issued on July 24, 1978 only authorized possession of Am-241, and specifically stated distribution of byproduct material was not authorized. In addition, Central Electric Time Corp did not have a license to possess Am-241 or any other byproduct material at the time the smoke detectors were acquired from EWHA Electronics of Korea in February 1978.

Based on this information, the possession and distribution of smoke detectors containing Am-241 by Central Electric Time Corporation during February 1978, without authorization of a byproduct material license, is in violation of 10 CFR 30.3 which states in part: "No person shall transfer, receive, acquire, own or possess byproduct material except as authorized in a specific or general license".

7. Issuance of Second Immediate Action Letter

On July 15, 1980, an Immediate Action Letter was issued to Cetco, Inc., a copy of which is attached as Exhibit I. The IAL confirmed an understanding that Cetco would:



- (1) Transfer all smoke detectors containing Am-241 sources to an appropriate commercial disposal firm.
- (2) File with Region III, upon proper disposal of the Am-241 NRC Form NRC-314, Certificate of Disposition of Material.
- (3) Notify the Office of Nuclear Material Safety and Safeguards, Material Licensing Branch, that Cetco's request for a byproduct license is being abandoned.

The IAL stated it was understood the above actions were to be completed by August 15, 1980.

8. Receipt of Letter Regarding Item No. 3 of IAL

On August 14, 1980, the Region III office received a copy of a letter dated August 12, 1980, from Cetco, Inc. to the Office of Nuclear Material Safety and Safeguards. The letter advised that Cetco was withdrawing its request for a byproduct material license.

9. Follow-up Inspection at Cetco, Inc.

On August 27, 1980, a follow-up inspection at Cetco was conducted. It was determined Lee had not yet disposed of the smoke detectors, but had received the documents necessary to initiate disposal from Nuclear Engineering Company Inc. in Sheffield, Illinois (a commercial disposal firm). It was noted that Lee had not yet begun to prepare those documents.

10. Follow-up Interview with Cetco President J. C. Lee

During a follow-up interview on November 18-19, 1980, Joo Chan Lee, President of Cetco Inc., provided the following information.

Lee advised that December 1977 was the only time he imported smoke detectors from Korea for resale. These smoke detectors were imported under the corporate entity of Central Electric Time Corporation. Prior to that time he had been purchasing smoke detectors (Model No. PID-B) from Hochiki America Corporation, Hawaiian Gardens, California. On December 29, 1975, he issued a blanket purchase order to Hochiki America for 2,000 PID-B smoke detectors. The majority of the detectors obtained under the blanket purchase order were incorporated into fire detection systems at several U.S. Veterans Administration Hospitals, including East Orange, New Jersey, St. Albans, New York, (Expert Electric Company, Astoria, New York was the contractor for both), and Miami, Florida, (where Driscoll Electric Company, Opa Locka, Florida, was the contractor). The remainder of the smoke detectors obtained under the blanket purchase order were retained by Central Electric Time/Cetco for future projects or used as replacement parts, or "spares".

Prior to December 1977, Lee became disenchanted with Hochiki America Corporation and decided to import smoke detectors. He ordered 500 smoke detectors, Model No. PID-3B, manufactured by EWHA Electronics



Company, Ltd., Seoul, Korea. (These detectors are specified as Model No. PID-38 on the February, 1978 invoices rather than Model No. PID-3B; a discrepancy believed to be the result of a typographical error.) During February 1978, the smoke detectors were received by Central Electric Time Corporation. Subsequently, on February 20, 1978, Central Electric Time sold and subsequently shipped 46<sup>9</sup> smoke detectors to Malko Electric, Morton Grove, Illinois for installation in dormitories at Chanute Air Force Base, Illinois. Central Electric Time retained the remaining smoke detectors as spares.

Lee stated the Model No. PID-3B and Model No. PID-B smoke detectors were identical in appearance, function and composition, were interchangeable and could be easily confused with each other. Lee indicated any disparity between the number of smoke detectors shipped to Malko Electric and returned by Malko could be attributed to Central Electric Time or Cetco providing either model of smoke detectors to Malko Electric as spare parts.

Lee advised that Cetco received a 55 gallon drum on September 17, 1980 from Nuclear Engineering Company in Sheffield, Illinois, for disposal of the smoke detectors stored at the Cetco facility. He indicated however, to date he had been too busy to finish disposing of the smoke detectors.

11. Follow-up Review of Lee's Records

During a follow-up review of Lee's invoices and purchase orders on November 18-19, 1980, a "Material List/Shop Order" dated July 24, 1978, a copy of which is attached as Exhibit J, was observed. This order indicated 36 ionization smoke detectors (Model PID/B4) and 36 standard smoke detector bases were distributed to Driscoll Electric Company in Opa Locka, Florida on May 10, 1979.

Based on this information, Cetco Inc., is in violation of 10 CFR 30.3 in that licenseable material was transferred to Driscoll Electric in May, 1979 without the authorization of a byproduct materials license.

12. Contact with J. C. Lee Regarding Smoke Detector Disposal

During a telephone conversation with J. C. Lee on March 2, 1981, Lee indicated the documents necessary for initiating disposal of the smoke detectors were being forwarded to Nuclear Engineering Company (NECo) on that date. Lee advised it was his understanding that the documents had to be approved by NECo prior to the material being shipped. He stated he would contact the NRC when approval for shipment was received.

## LIST OF REPORT EXHIBITS

- Exhibit A, Copies of February 1978 invoices reflecting the order  
500 smoke detectors.
- Exhibit B, Copies of corrected invoice from Hochiki America  
Corporation.
- Exhibit C, Copy of mailgram reflecting request for return of smoke  
detectors.
- Exhibit D, Copy of Central Electric Time Corporation's byproduct  
materials license
- Exhibit E, Copy of Immediate Action Letter dated January 30, 1980.
- Exhibit F, Copy of March 10, 1980 letter from Cetco, Inc. to the NRC's  
Radioisotopes Licensing Branch
- Exhibit G, Copy of April 9, 1980 letter from the NRC's License Fee  
Management Branch to Cetco, Inc.
- Exhibit H, Copy of June 20, 1980 letter from the NRC's License Fee  
Management Branch to Cetco, Inc.
- Exhibit I, Copy of Immediate Action Letter dated July 15, 1980.
- Exhibit J, Copy of "Material List/Shop Order" dated July 24, 1978.

Shipper/Exp

# EWHA ELECTRONIC CO., LTD.

151-47, HWAYANG-DONG, SONGDONG-KU,  
SEOUL, KOREA

No. & date of invoice  
EWH-869-68

No. & date of L/C

30015 & Dec 13, 1977

L/C issuing bank ~~Harris Trust and Saving bank~~  
111 West Binroe Str, Chicago, Ill, 60691.

For account & risk of Messrs.

Central Electric Time Corporation.  
1179 Tower Road Schaumburg, Illinois  
60195

Remarks:

Consignee to : Same as accountee.

Notify party

Quas and Co., 327 South LaSalle,  
Chicago, Illinois 60604.

Port of loading

Kimpo airport

Final destination

Chicago airport

Carrier

Sailing on or about

Marks and numbers of PKGS

Description of Goods

Quantity/unit

Unit-price

Amount

FOB KOREAN AIRPORT



CHICAGO  
C/T No.1-5  
MADE IN KOREA

Ironization Chamber Sanks Detector ( without base )

PID-38

500 sets

@\$14.-

US\$7,000.-

x/x

**POOR ORIGINAL**

EWHA ELECTRONICS CO., LTD.

P. O. Box :

Cable address : EWHAELECT

Telex code :

Telephone No. : 46-8716, 8826, 4678

Signed by

*C. K. Kang*  
President C. K. Kang

EXHIBIT A (PAGE 1 OF 3)



PACKING LIST

① Shipper/Exporter

**EWHA ELECTRONICS CO., LTD.**

151-47, HWAYANG-DONG, SUNGDONG-KU,  
SEOUL, KOREA

② No. & date of invoice

EWB-869-68

Feb 6, 1978

③ Remarks:

Consignee to : Same as accoutee.

④ For account & risk of Messrs.

Central Electric Time Corporation.  
1179 Tower Road Schaumburg, Illinois  
60195.

⑤ Notify party

Quant and Co., 327 South LaSalle,  
Chicago, Illinois 60604.

⑥ Port of loading

Kimpo airport

⑦ Final destination

Chicago airport

⑧ Carrier

⑨ Sailing on or about

⑩ Marks and numbers of PKGS

⑪ Description of Goods

⑫ Quantity

⑬ Net-weight

⑭ Gross-weight

⑮ Measurement



CHICAGO  
C/T No.1-5  
MADE IN KOREA

Ironization Chamber Smoke Detector (without base )

PID-38  
(C/T No.1-5)

500 sets -77.5 kgs 97.50 kgs

x/x

**POOR ORIGINAL**

EWHA ELECTRONICS CO., LTD.

● P. G. Box

Cable address : EWHA

Telex code

EXHIBIT A (PAGE 2 OF 3)

● Signed by

12-79294375

12-79294375

Point of departure (address of first carrier) and requested routing: **ROME (VIMPO) AIRPORT**  
 Point of destination: **CHICAGO, ILL.,**

1 **1000** by first carrier

2 Consignor's account number  
 Consignor's name and address:  
**CENTRAL ELECTRIC PINE CORPORATION**  
**179 TOWER ROAD, CHATEAUBURG,**  
**ILLINOIS 60195**  
**NOTIFY: - QUAST AND CO.,**  
**327 SOUTH LA SALLE,**  
**CHICAGO, ILLINOIS 60604**

3 Shipper's account number  
 Shipper's name and address:  
**TRWA ELECTRONIC CO., LTD.**  
**SEOUL, KOREA**

4 Issuing carrier's agent, account no.  
 Issuing carrier's agent, name and city:  
**GATEWAY EXPRESS (KORWA) LTD./TEL.**  
 Agent's IATA Code:  
**17-3 1943**

5 Currency: **USD**  
 Declared value for carriage: **N.V.D.**  
 Declared value for customs: **NOBUS\$7,000.-**

No. of packages	Actual gross weight	Rate class	Commodity class no.	Chargeable weight	Rate/Charge	Total	Nature and quantity of goods (incl. dimensions or volume)
5	97.5			A 100K	\$3.46	\$386.00	500 SETS. OF IRONIZATION CHAMBER SMOKE DETECTOR. INVOICE NO. FWH-869-68. L/C NO. 30015 DATED, DEC. 13, 1977. "FREIGHT COLLECT"

7 Special weight charge, Prepaid valuation charge, Due carrier, Total other prepaid charges, Due agent, Total prepaid charges, **51cm x 51cm**

R Other charges (applying weight charge and surcharge charge) **US\$7.50**, Collect charges in destination currency

S ODD amount

T Total charges

8 **US\$386.00**, Collect net charge, Due carrier, Total other collect charges, Due agent, ODD amount, Total collect

9 **COMM. INV., P/LIST + S.G.I. ATTACHED, (5) CARTONS ONLY.**

**Air Waybill NORTHWEST ORIENT**  
 (Air Consignment note)  
**JAPAN AIR LINES**  
 日本航空  
 Member of International Air Transport Association

If the carriage involves an intermediate stop in a country other than the country of departure, the Warsaw Convention shall apply in its entirety and in its own limits the liability of carriage in respect of loss of or damage to cargo. Agreed stopping places are those places (other than the places of departure and destination) shown under requested routing and/or those places shown in carriers' timetables at scheduled stopping places for the route. Address of first carrier is the airport of departure. SEE CONDITIONS ON REVERSE HEREOF.

The shipper certifies that the particulars on the face hereof are correct, agrees to the CONDITIONS ON REVERSE HEREOF, accepts that carrier's liability is limited as stated in 4(c) on the reverse hereof and accepts such value unless a higher value for carriage is declared on the face hereof subject to an additional charge.

SIGNATURE OF SHIPPER OR HIS AGENT

Carrier certifies goods described below were received for carriage subject to the CONDITIONS ON REVERSE HEREOF, the goods then being in apparent good order and condition except as noted hereon.

**FFS. 09. 1978** **SEL**  
 ISSUED ON (Date) at (Place)

SIGNATURE OF ISSUING CARRIER OR ITS AGENT

Copies 1, 2 and 3 of this Air Waybill are originals and have the same validity.

Amount of insurance, INSURANCE if shipper requests insurance in accordance with conditions on reverse hereof, indicate amount to be insured in figures in the nearest amount of currency.

**POOR ORIGINAL**



REC'D JAN 1 1978

# HOCHIKI AMERICA CORPORATION

5415 Industrial Drive  
Huntington Beach, CA 92649  
Telephone: (714) 898-0795 Telex 69-2324



ALPHA-LARM DIVISION

INVOICE

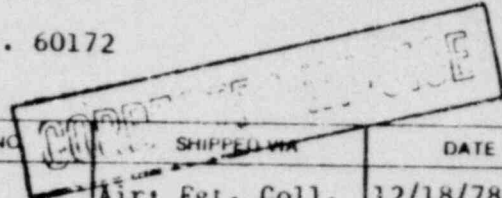
No. 06164-C

Customer I.D. # 1252003

SOLD TO CENTRAL ELECTRIC TIME  
1179 Tower Rd.  
Schaumburg, Ill. 60172

SHIP TO

MALKO ELECTRIC CO.  
6200 Lincoln  
Morton Grove, Ill. 60053



CUSTOMER ORDER NO		OUR ORDER NO	SHIPPED VIA	DATE	INVOICE DATE	TERMS F O B
1573		G-4369-4	Air Fgt. Coll.	12/18/78	12/19/78	as stated
ORDERED	SHIPPED	DESCRIPTION		CODE		
484		PID-B	Detectors	21	\$32.95	\$15,947.80
		Credit for Return of 500 Smoke Detectors				(4,750.00)
						\$11,197.80
<p>NOTE: The PID-3B Smoke detector heads, for which credit is being given as stated, and the credit have been assigned to Hochiki America. The PID-3B detector heads are to be delivered by either the Air Force, Corps of Engineers or Malko Electric Co. to Hochiki America immediately after removal. Under no circumstance these PID-3B detector heads to end up in the possession of Central Electric Time. Central Electric Time relinquishes all claims to the PID-3B Smoke detector heads.</p> <p>Payment: Payment is to be made within 15 days from receipt of the PID-B smoke detector heads. If payment is prior to December 31, 1978, a 2% cash discount may be taken.</p>						

### NOTICE

Under the Mechanics Lien Law (California Code of Civil Procedure, Section 1181 et seq.) any contractor, sub-contractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your own contractor in full, if the subcontractor, laborer, or supplier remains unpaid.

POOR ORIGINAL

EXHIBIT B



MAILGRAM CENTER  
MIDDLETOWN, VA. 226



4-04R3805344002 12/10/79 ICS IPMBNGZ CSP CGBB  
1 3128939660 MGM TDBN SCHAUMBURG IL 12-10 0344P EST

3

CETCO INC EMG  
504 LUNT AVE  
SCHAUMBURG IL 60193

REC:

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

3128939660 MGM TDBN SCHAUMBURG IL 08 12-10 0344P EST

ZIP

DRISCOLL ELECTRIC ATTN MR DAVID STONE

4300 NORTHWEST 135 ST

MIAMI FL 33054

WE ACKNOWLEDGE RECEIPT OF YOUR TELEGRAM DATED 12-7-79, PER PHONE CONVERSATION BETWEEN CETCO INC AND MR J P SALVIN, VA RESIDENT ENGINEER, WE ARE ADVISED TO HAVE RETURN OF ALL THE SMOKE DETECTORS WHICH DO NOT MEET "BUY AMERICAN ACT" TO US AND REPLACE WITH THE SMOKE DETECTORS WHICH MEET "BUY AMERICAN ACT". THEREFORE WE REQUEST THE RETURN OF THE SMOKE DETECTORS IMMEDIATELY AND WE WILL REPLACE WITH NEW DETECTORS WITHOUT CHARGE.

MR J C LEE

15144 EST

2

MGMCOMP MGM

EXHIBIT C

U. S. NUCLEAR REGULATORY COMMISSION  
MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter 1, Parts 30, 31, 32, 33, 34, 35, 36, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s); and to import such byproduct and source material. This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

KVII

Licensee		
1. Central Electric Tire Corporation		3. License number 12-17515-01
2. 1179 Tower Road Schaumburg, Illinois 60195		4. Expiration date July 31, 1993
		5. Docket or Reference No. 30-12876
6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
A. Americium 241	A. Nuclear Radiation Measurements, Inc. Model A-001 foils and/or Amersham Model AM 1001H mounted foils	A. 100 microcuries; no single source to exceed 1 microcurie
9. Authorized use		
A. For smoke detector research.		

CONDITIONS

10. Licensed material shall be used only at the licensee's address stated in Item 2 above.
11. The licensee shall comply with the provisions of Title 10, Chapter 1, Code of Federal Regulations, Part 19, "Notices, Instructions and Reports to Workers; Inspections" and Part 20, "Standards for Protection Against Radiation."
12. Licensed material shall be used by, or under the supervision of, H. C. Chung or J. C. Lee.

EXHIBIT D (PAGE 1 OF 2)

**POOR ORIGINAL**

MATERIALS LICENSE

Supplementary Sheet

License Number 12-17515-01

CONDITIONS

Docket or Reference No. \_\_\_\_\_

(continued)

13. This license does not authorize distribution of licensed material or of products containing licensed material to persons who are generally licensed or who are exempt from licensing.

14. Sealed sources containing licensed material shall not be opened.

15. Except as specifically provided otherwise by this license, the licensee shall possess and use licensed material described in Items 6, 7, and 8 of this license in accordance with statements, representations, and procedures contained in application dated April 6, 1977 as amended October 31, 1977, December 21, 1977 and June 5, 1978.

*att'd*

*att'd*

*att'd*

*att'd*

**POOR ORIGINAL**

EXHIBIT D (PAGE 2 OF 2)

For the U. S. Nuclear Regulatory Commission

Original Signed by

FREDERICK C. COMBS

by Radioisotope Licensing Branch

Date JUL 24 1978

AUG 22 1978



IMMEDIATE ACTION LETTER

JAN 30 1980

Cetco, Incorporated  
ATTN: Mr. Joseph Lee  
504 Lunt Avenue  
Schaumburg, IL 60193

Gentlemen:

This refers to the telephone conversation between you and Mr. A. E. Davis of this office on January 29, 1980, regarding your possession of unlicensed radioactive byproduct material. With regard to the matters discussed, we understand that you will undertake the following actions:

1. Immediately place the americium-241, which you have in your possession, into locked storage.
2. Immediately place the smoke detectors, which you have in your possession, in locked storage.
3. Either make arrangements for the authorized disposal of the materials in accordance with applicable federal regulations or make application for a license to the Nuclear Regulatory Commission for the possession and use of these materials in accordance with applicable federal regulations.

One or the other of the actions described in Item 3 shall be completed by February 15, 1980. If our understanding of the above is not correct, please contact this office by telephone immediately.

Sincerely,

James G. Keppler  
Director

cc: Central Files  
reproduction Unit NRC 20b  
PDR  
NSIC

IMMEDIATE ACTION LETTER

POOR ORIGINAL

EXHIBIT E



FIRE  
SMOKE  
SUPERVISORY  
MULTIPLEX SYSTEMS—CETCO, INC.

P. O. BOX 94711      SCHAUMBURG, ILLINOIS 60194      312/893-9660

March 10, 1980

Mr. James A. Jones  
Radioisotopes Licensing Branch  
Division of Fuel Cycle and Material Safety  
United States Nuclear Regulatory Commission  
Washington, D. C. 20555

Dear Mr. Jones:

Hereinwith enclosed are your letter dated June 28, 1978, our letter dated April 10, 1978, an application for byproduct material license dated March 6, 1978, and a material license issued by you authorizing us to use Americium 241 materials for smoke detector research. We have also enclosed a copy of correspondence between ourselves and Mr. A. B. Davis at the Nuclear Regulatory Commission, Region III, 799 Roosevelt Road, Glen Ellyn, IL.

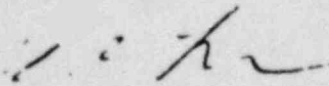
Since April of 1979, we have the title of the research project on smoke detectors involving the Nuclear Regulatory Commission license. Due to the transfer of this project from Central Electric Time, Inc. to Cetco, Inc. the product has been on the shelf and inactive. During January of 1980 we realized that we should continue our effort to obtain the license from the Government. We also indicated to Mr. Davis, Region III, that we have a few imported smoke detectors from Korea. The letter from Mr. Davis to us will explain the conversations and his advice to us on what to do with the smoke detectors.

The purpose of this letter is to state our willingness to continue our effort to obtain a license from the Government under a new Corporation name, Cetco, Inc., an Illinois Corporation.

Please advise us what to do after reviewing the file under the name of Central Electric Time, Inc.

Sincerely,

CEI      INC.

  
J. C. Lee

Enclosures

cc: Mr. A. B. Davis  
U. S. Nuclear Regulatory Commission, Region III,  
799 Roosevelt Road, Glen Ellyn, IL, 60137

POOR ORIGINAL

APR 09 1980

CETCO, Inc.  
ATTN: J. C. Lee  
P.O. Box 94711  
Schaumburg, Illinois 60194

Gentlemen:

We received your letter dated March 10, 1980, for a license to distribute smoke detectors.

An application fee of \$950 is required as specified in fee Category 3H of Section 170.31, 10 CFR 170, copy enclosed. In addition, an application fee of \$460 is required under fee Category 3A if you are applying for a license to manufacture the smoke detectors; however, if you are only importing the smoke detectors, an amendment fee of \$0 is required as specified in fee Category 3K to amend your current license 12-17515-01. Please clarify for us whether you will be manufacturing or importing the smoke detectors. Payment should be made to the U.S. Nuclear Regulatory Commission and mailed to my attention.

Your application will be sent to our Licensing staff for processing upon receipt of the fees and clarifying information. When submitting the fees, please refer to CONTROL NUMBER 03236.

Sincerely,

Original Signed By  
Glenda Jackson

Glenda Jackson  
License Fee Management Branch  
Silver Spring Office  
Office of Administration

Enclosure:  
Part 170

EXHIBIT G





UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

JUN 20 1980

CETCO. Inc.  
ATTN J. C. Lee  
P. O. Box 94711  
Schamburg, Illinois 60194

Gentlemen:

Application for a Byproduct Material License  
Dated March 10, 1980 and our Request for the  
License Fees Dated April 9, 1980.

This refers to the subject application and our letter (copy enclosed)  
in which we notified you that application fees and additional information  
were required.

Please be advised that, unless we hear from you within 30 days from  
the date of this letter, we will consider your application as being  
abandoned.

The submission of any future applications with the prescribed fee  
would not be affected by this action.

Sincerely,

A handwritten signature in cursive script that reads "Glenda Jackson".

Glenda Jackson  
License Fee Management Branch  
Silver Spring Office  
Office of Administration

Enclosure:  
Ltr dtd 4/9/80

EXHIBIT H

IMMEDIATE ACTION LETTER

*Burton*

JUL 15 1980

Cetco, Inc.  
ATTN: Mr. Joseph Lee  
504 Lunt Avenue  
Schaumburg, IL 60193

Gentlemen:

This refers to the investigation conducted by Mr. R. Burton and Dr. W. Adam of this office on July 14, 1980, regarding the disposition of your smoke detectors containing americium-241 sealed sources.

It is our understanding that you will:

1. Transfer all smoke detectors containing americium-241 sources to an appropriate commercial disposal firm.
2. File with this office Form NRC-314, Certificate of Disposition of Material, upon proper disposal of the material.
3. Notify the Office of Nuclear Material Safety and Safeguards, Material Licensing Branch that you are abandoning your request for a byproduct material license.

These actions shall be completed by August 15, 1980. If our understanding of the above is not correct, please contact this office by telephone immediately.

Sincerely,

James G. Keppler  
Director

Enclosure: NRC-314

cc w/o encl:  
Central Files  
Reproduction Unit NRC 20b  
PDF  
NSIC

RIII  
*108*  
Adam/np  
7/14/80

RIII  
*RIII*  
Burton  
7/15/80

RIII *bm* for RIII  
*d*  
Paperiello      Davis

*Koos & FFMST enc.*  
RIII  
*BM*  
Novellus

RIII  
*JK*  
Keppler  
7/15/80

EXHIBIT T

IMMEDIATE ACTION LETTER

# POOR ORIGINAL

## MATERIAL LIST/SHOP ORDER

July 14, 1978

78131-C

Sales Center No. \_\_\_\_\_

DRISCOLL ELECTRIC CO.

Customer P.O. No. 2158-7097

Address 4300 N.W. 135th St., Opa Locka, FLA 33054

Contact: Mr. David Stone (305) 685-7666

Address Same

Submittals 13 Sets: \_\_\_\_\_ Due: \_\_\_\_\_

Sepia \_\_\_\_\_ Sets: \_\_\_\_\_ Due: \_\_\_\_\_

NURSING HOME - MIAMI VETERANS HOSPITAL (Fire Alarm System)

Shipping Instruction: \_\_\_\_\_

Estimated Shipping Date: SHIP IMMEDIATELY AFTER APPROVAL

Price Information: 12,500 + 500.00 tax = 13,000.00

Department: Engineering, Sales, Accounting, Shipping, Purchasing

*not supplied*

### SYSTEMS

### COMPONENTS

Shipping Date	Shipping Date	Catalog & Description	Qty. Req'd	Shipping Date	Shipping Date	Shipping Date	Catalog & Description
		Fire Alarm Control Panel Type A120-SS3 with	15	<i>stock</i>	3/30	5-10-78	Manual Pull Stations #T5C
		1-P1 Power Supply Module	7	<i>stock</i>			Fire Alarm Bells, 6" Diameter, S.S. #2103
		1-B1 Alarm Sounding Module with 3 circuits	14	<i>ord</i>	2/15	5-10-78	Fire Alarm Chimes, 12VAC, S.S. #3415SF
		1-M1 City Tie Module Low Voltage	3			5-10-78	Waterflow Switch, (F30) Pipe Size to Be Furnished
		1-T1 Master Transmitting Module, 4 Codes	9	<i>ord</i>	2/22		Photocell Smoke Detectors #F451485
		1-T2 Slave Transmitter Module, 4 Codes	36	<i>stock</i>	3/30	5-10-78	Ionization Smoke Detectors #PID/B4
		1-Positive Non-Interfering Control Module	36			5-10-78	Smoke Detector Bases, Standard
		Fire Alarm Cabinet per Drawing #2022, Item 6	8	<i>11000000</i>			Electro-Magnetic Door Holders (FBO Builders Hdw.)
		Fire Alarm Cabinet per Drawing #2022, Item 1	20				Duct Mtd. Smoke Detectors
		Stand-by Power Package (a) Ni-Cad Batteries, 2 Cells, 10 Amp Hr.	8			5-10-78	Ionization w/sampling tube
		Stand-by Power Package (a) Ni-Cad Batteries, 2 Cells, 10 Amp Hr.	8			5-10-78	Duct Mtd. Smoke Detectors
		Stand-by Power Package (a) Ni-Cad Batteries, 2 Cells, 10 Amp Hr.	8			5-10-78	Ionization w/o sampling tube for duct widths less than 24" for smoke damper
		Six Channel Recorder					
		Remote Annunciator, 2"X3" lens 12 zones, Surface Mtd., red	3		3/30/79		Gate Valve Supervisory Switch
		Alarm Transmitter PNIS	21	<i>ord</i>	2/14	3/30/79	
		Trouble Transmitter PNIS	21	<i>ord</i>	2/14		

*Handwritten notes:*  
5-10-78  
4-5

*Handwritten notes:*  
Mtg notes for comb BA device  
Double lights for