

UNITED STATES
NUCLEAR REGULATORY COMMISSION

In the Matter of)	Docket No. 030-14669
)	License No. 34-18214-01
OVERHOFF TECHNOLOGY CORPORATION)	EA 92-219
Milford, Ohio)	
)	

DEMAND FOR INFORMATION

I

Overhoff Technology Corporation (Licensee) holds Byproduct Material License No. 34-18214-01 issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR Part 30. The license, originally issued on December 1, 1978, was last amended in its entirety January 4, 1993, and is due to expire on May 31, 1995.

II

A routine NRC inspection was conducted on October 29 and November 5, 1992. Additional information relevant to the inspection was obtained on November 24, 1992. During the inspection, the NRC inspector identified 10 violations which include failure to: (1) maintain the quantity of licensed material possessed within authorized limits, and limit the use of licensed material to the uses authorized by the license; (2) secure licensed material against unauthorized removal; ((3) and (4)) post and use licensed material tracking sheets; (5) conduct weekly radiation level surveys and monthly contamination surveys; (6) notify the Radiation Safety Officer prior to the use of any radioactive material; ((7) and (8)) use remote handling equipment and shielding when working with sealed sources; (9) wear personnel monitoring equipment when using licensed material; and (10) make surveys to assure compliance with that part of 10 CFR 20.101 that limits the radiation exposure to the extremities and skin of the whole body.

On January 12, 1993, an enforcement conference was conducted between the Licensee and NRC to discuss the apparent violations, their causes, the Licensee's corrective actions, and the Licensee's regulatory improvement plan. During discussions regarding root and contributing causes of the violations, the Licensee acknowledged that a lack of effective management oversight and control existed in the implementation of the Licensee's radiation safety program.

At the conference, the Licensee presented a regulatory improvement plan which it was considering. The plan included, but was not limited to, quarterly health physics surveys and comprehensive annual audits to be conducted by the consulting

health physicist. The plan also "suggested" that after the next NRC inspection, the consulting audits be conducted semi-annually.

In addition, Licensee responses to NRC questions indicated that the Licensee relied strongly on its consultant health physicist to achieve and maintain compliance with NRC requirements. This reliance appears sufficiently strong that without the benefit of a qualified consultant health physicist, it is questionable whether the Licensee could maintain compliance with NRC requirements.

The Licensee indicated that retaining the consultant health physicist has been a financial hardship. This financial hardship could result in the Licensee discontinuing the health physicist's consulting services.

Based on the results of the NRC inspection and enforcement conference, the staff questions whether there is reasonable assurance that the Licensee is able to possess and use licensed material in accordance with NRC requirements so as to protect the health and safety of its employees and the general public, without assistance from persons who are currently outside its organization and who are knowledgeable in the effective management of a licensed radiation safety program. Furthermore, based on the Licensee's statements at the enforcement conference, it is not clear whether the Licensee intends to continue to retain a consultant health physicist.

III

Accordingly, pursuant to sections 81, 161c, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204, and 10 CFR 30.32(b), in order for the Commission to determine whether the license should be modified, suspended or revoked, or other enforcement action taken to ensure compliance with NRC regulatory requirements, the Licensee is required to submit to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, within 30 days of the date of this Demand for Information, the following information, in writing and under oath or affirmation:

- A(1) Whether it intends: (a) to utilize the services of a qualified independent consultant health physicist, for a period of three years from the date of this Demand, to perform quarterly health physics program reviews and an annual comprehensive audit at the end of the first year, however, the quarterly health physics reviews may be reduced to semi-annual reviews following NRC approval based on a satisfactory inspection after one year, and (b) to take prompt corrective action to address any deficiencies

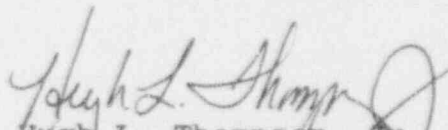
identified by the consultant or document the basis for not taking such action;

- A(2) Whether it intends to submit to NRC 60 days prior to the end of the three-year period, a report stating what actions the licensee will take in the absence of a consultant to assure that the licensee and its employees understand Commission requirements and are following them; and
- A(3) Why NRC should not amend the license to require the actions provided in items A(1) and A(2) above.
- B. If it believes that Items A(1), A(2), and A(3) are unnecessary, explain why the NRC should have confidence that the licensee will maintain compliance with NRC requirements without an outside consultant and why Byproduct Material License No. 34-18214-01 should not be modified, suspended, or revoked.

Copies also shall be sent to the Assistant General Counsel for Hearings and Enforcement at the same address, and the Regional Administrator, NRC Region III, 799 Roosevelt Road, Glen Ellyn, Illinois 60137.

After reviewing your response, the NRC will determine whether further action is necessary to ensure compliance with regulatory requirements.

FOR THE NUCLEAR REGULATORY COMMISSION



Hugh L. Thompson, Jr.
Deputy Executive Director for
Nuclear Materials Safety,
Safeguards and Operations Support

Dated at Rockville, Maryland
this 2nd day of April 1993

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