



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

JUN - 1 1990

Report No. 90-01
Docket No. 030-08577
License No. 02-15106-01

Department of the Interior
Bureau of Indian Affairs
Phoenix Area Office
P. O. Box 10
One North First Street
Phoenix, AZ 85001

Attention: Mr. Vernan Palmer, Chief
Branch of Roads

Gentlemen:

SUBJECT: NRC INSPECTION AND NOTICE OF VIOLATION

This refers to the special safety inspection conducted by Mr. Paul R. Zurakowski of this office on May 14 and 16, 1990, of activities authorized by NRC License No. 02-15106-01 and to the discussion of our findings with Mr. Gerald Evans and other members of your staff at the conclusion of the inspection.

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

Based on the results of this inspection, it appears that two of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation enclosed (Appendix). These apparent violations have been categorized into severity levels as described in the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1990). The findings from this inspection, indicate that one violation (involving the conduct of physical inventories) was repetitive from the last inspection conducted on June 6, 1988.

The one apparent violation involving the documentation of receipt of radioactive material is considered an isolate case of a Severity Level V violation and since you initiated corrective actions (procuring documentation of material received) before the completion of the inspection this violation is considered a noncited violation in accordance with the enforcement discretion afforded by Section U.G.A. of 10 CFR 2, Appendix C.

Your response to this notice is to be submitted in accordance with the provisions of 10 CFR 2.201, and in accordance with the instructions contained in the Notice of Violation enclosed.

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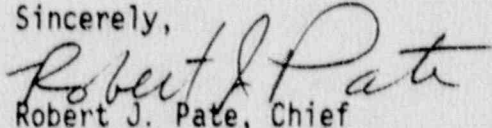
We are concerned about the repetitive nature of the violation observed during our inspection. In addition to the need for corrective action regarding the specific violations included in the Notice of Violation, we are concerned about the implementation of your management control system that allowed this repetitive violation to occur. Consequently, in your reply you should describe in particular those actions taken or planned to improve the effectiveness of your management control system.

In addition, we are concerned about the old and obsolete gauges (8) stored at 120 N. Turk, Sacaton, Arizona. Our inspector noted that one of the two obsolete gauges appeared defective and was reading over 40 mr/hr at the surface of its storage container. Although the posting and security of the storage area is considered adequate, and you are not in violation of NRC requirements at this time, it has been our experience that if old and obsolete equipment are not expediently disposed of they may eventually find their way into the public domain. Your attention is invited to the guidance contained in NRC Inspection and Enforcement Information Notices 86-67, 87-55, 88-07, 88-10, 89-35, and 90-14 as they contain relevant information regarding our concerns.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

If you have any questions concerning this inspection, please telephone Mr. Zurakowski or Mr. Chaney at 415-943-3700.

Sincerely,



Robert J. Pate, Chief
Nuclear Materials Safety and
Safeguards Branch

JUN - 1 1990

bcc w/enclosure:
docket file
State of AZ
A. Johnson
B. Faulkenberry
J. Martin
M. Smith
J. Zollicoffer

REGION V/dot
PZurakowski
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HChaney
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REQUEST COPY	REQUEST COPY	REQUEST COPY	REQUEST COPY
YES / NO	YES / NO	YES / NO	YES / NO

SEND TO PDR
YES / NO