



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137-5927

July 26, 1993

General Licensee
[10 CFR 150.20]
EA 93-189

E.S.C. Resources, Inc.
ATTN:Mr. Bart Moscarello
President
1603 Terri Circle
Naperville, IL 60563

Dear Mr. Moscarello

SUBJECT: NOTICE OF VIOLATION

This refers to our review of your licensed activities in non-Agreement States as authorized by 10 CFR 150.20. You volunteered information to us in June 1993 that you had unknowingly conducted licensed activities in non-Agreement States without filing the proper forms with the NRC prior to conducting these activities. On July 20, 1993, you were offered the opportunity for an enforcement conference but declined.

Based on the information which you provided to us verbally at the Region III offices in June, and followup written information in letters dated June 3, 1993, and July 12, 1993, the NRC learned that E.S.C. Resources, Inc, an Agreement State licensee with the State of Illinois, had performed licensed activities in non-Agreement States and had not complied with the reciprocity requirements of 10 CFR 150.20. Specifically, E.S.C. Resources failed to provide proper notification to the NRC (via Form 241) on five occasions between 1991 and 1993 that it was performing licensed work in non-Agreement States. This work normally consisted of a combination of repairing or replacing the wiring, limit switches, shutter air cylinders, and shutter assemblies for source devices. You do not possess nor work directly with radioactive sources. The violation of 10 CFR 150.20 is described in the enclosed Notice of Violation and is categorized at Severity Level III in accordance with the "Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy) 10 CFR Part 2, Appendix C.

The root cause of the violation and the subsequent corrective actions were discussed with you on June 3, 1993, when you visited the Region III offices, and in several subsequent telephone conversations. Initially, you had called Region III on June 1, 1993, to notify the NRC of the potential violation. During that

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conversation you were informed that you are required to file the required reciprocity forms. As a result of that call, you personally visited the Region III office on June 3 and delivered the approved forms in addition to the required fees. The major factor contributing to the violation appeared to be your misunderstanding or lack of knowledge of the conditions of your State of Illinois specific license pertaining to temporary job sites and the reciprocity process. The NRC recognizes that you immediately corrected the violation and that you plan to inform us of regularly scheduled visits to NRC non-Agreement States and also update us of your schedule changes.

The NRC relies on Agreement State licensees to notify us whenever licensed activities are performed in non-Agreement States. It is incumbent on such licensees to be aware of these reporting requirements and to be responsible for making the reports. Failure to report is a serious matter because it denies the NRC the opportunity to inspect licensed activities while the work is being done and thereby removes the NRC's ability to perform its function of verifying that licensed activities are performed in a safe manner. Therefore, to emphasize the need of the importance to adhere to regulatory requirements, I am issuing the enclosed Notice of Violation for this Severity Level III violation.

In accordance with the Enforcement Policy a civil penalty is considered for a Severity Level III violation. However, I have been authorized not to propose a civil penalty in this case because you identified the violation and were forthright in promptly notifying the NRC; you visited the Region III offices to personally discuss the issue with the NRC technical staff. During this visit you also filed the proper reciprocity forms and paid the required fees. Your forthrightness is to be commended.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice of Violation (Notice) when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to take to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

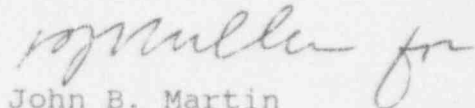
E.S.C. Resources, Inc.

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The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. B. Martin", followed by a stylized flourish.

John B. Martin
Regional Administrator

Enclosure:
Notice of Violation

cc w/enclosure:
DCD/DCB(RIDS)
State of Illinois, Department
of Nuclear Safety

July 26, 1993

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