



NUCLEAR REGULATORY COMMISSION
REGION II
61 MARIPETTA STREET, N.W.
ATLANTA, GEORGIA 30303

INVESTIGATION REPORT NO. 03019199/82-01

SUBJECT: Rad/IRID, Inc.
Forestville, Maryland
and
Best Industries, Inc.
Arlington, Virginia

Possible Willful Violation by Licensee

DATES OF INVESTIGATION: May 17-27, 1982

INVESTIGATOR:

E. L. Williamson
E. L. Williamson, Regional Investigator
Enforcement and Investigations Staff

7-8-82
Date Signed

REVIEWED BY:

Carl E. Alderson
Carl E. Alderson, Director
Enforcement and Investigations Staff

7/16/82
Date Signed

SUMMARY OF INVESTIGATION

RAD/IRID, INC.

FORESTVILLE, MARYLAND

AND

BEST INDUSTRIES, INC.

ARLINGTON, VIRGINIA

MAY 17-27, 1982

A. REASON FOR INVESTIGATION

On April 6, 1982, the Director, Office of Inspection and Enforcement (IE) received a letter from a Region I licensee, Rad/IRID, Inc., in response to a civil penalty imposed upon the company. In the letter, the licensee stated that he felt, and had been told, that a conspiracy had been effected by former employees to have his company closed by the Nuclear Regulatory Commission. He mentioned in the letter that iridium-192 seeds, which his company distributed, had been "planted" in an unrestricted area by these former employees during a September 1981 NRC inspection where they would subsequently be found by the NRC. The seeds were found and this and other violations resulted in the issuance of a civil penalty by the NRC.

The licensee also listed four additional areas of concern, which according to him would add credence and tend to support the idea of a conspiracy and efforts on the part of those former employees, who had established a competing company called Best Industries, Inc. in Arlington, Virginia, to present his company in a poor light with the NRC.

The inference from the letter was that someone had knowingly and willfully violated the Atomic Energy Act and NRC regulations by planting iridium-192 seeds, to be found during an NRC inspection.

On April 9, 1982, the Regional Administrator, NRC Region II received an anonymous letter which alleged improper activities at Best Industries including radioactive materials being brought to a residence by car, unauthorized disposal of radioactive wastes and employment of illegal aliens.

Rad/IRID, Inc., the licensee making the allegations, is located in Washington, DC which is within NRC Region I, but has applied for a Maryland license and has established a facility in Maryland. A former employee alleged to have conspired against this licensee has been issued an NRC license in the name of Best Industries, Inc., which is located in Arlington, Virginia and is within NRC Region II.

On the basis of the information provided in the Rad/IRID letter to the Director, IE and the anonymous letter to Region II, an investigation was initiated under the authority provided by Section 161c of the Atomic Energy Act of 1954, as amended.

B. SCOPE OF INVESTIGATION

On May 18 and 19, 1982, the President of Rad/IRID, Inc., was interviewed to determine the extent of his knowledge regarding his allegations that former employees of his company knowingly and willfully violated the Atomic Energy Act and NRC regulations. Other issues were raised by and discussed with the

licensee in addition to the concerns stated in his letter to the NRC; however, these dealt with business practices outside the jurisdiction of the NRC.

All of the current Rad/IRID employees that worked at the facility currently occupied by the licensee were interviewed regarding their knowledge of a conspiracy or any willful violation of the Act or NRC regulations.

The investigation also included interviews of the former Rad/IRID employees for Best Industries, Inc. to ascertain the extent of knowledge regarding the Rad/IRID allegations and the anonymous allegations made about the Best Industries operation. All of those interviewed were familiar with the day to day activities of Best Industries.

Sworn statements were taken from two Rad/IRID employees, one Best Industries employee and radwaste disposal records for Best Industries were reviewed.

Officials of two companies who are licensed to receive radioactive wastes were also contacted to verify that radwaste shipments were made by Best Industries.

The investigation also included a review of appropriate materials licenses, survey records, radwaste disposal records, calibration records, exposure records, shipment records, invoices, bills and personal records voluntarily provided by the licensee.

C. FINDINGS

1. The investigation did not disclose any information to corroborate a conspiracy by any employee to subvert the operation of Rad/IRID, Inc, or knowing and willful violation of the Atomic Energy Act or any NRC regulations.
2. The investigation and previous NRC inspections indicate the conditions at Rad/IRID, Inc. were the result of inadequate management controls and insufficient supervision.
3. The allegations that Best Industries, Inc. was removing radwaste material from the facility by way of privately owned vehicles and depositing the material in local dumpsters was not substantiated. Records of two companies authorized to receive radwaste indicate monthly shipments have been made by Best Industries.
4. The allegation that illegal aliens were working for Best Industries, Inc. is outside the jurisdiction of the NRC. However, the local office of the Immigration and Naturalization Service was notified of this allegation.

5. The allegation that the President of Best Industries was representing himself as an agent of Best Industries for the purpose of receiving radioactive materials before having an NRC license was unsubstantiated.
6. The allegation that radioactive materials were being delivered to a residence by private automobile was partially substantiated; however, transport of the radioactive materials in question by private automobile does not violate NRC requirements. The structure referred to is a house which has been converted into a business establishment.