

July 21, 1986

Victoria Toensing
Deputy Assistant Attorney General
Criminal Division
10th & Constitution Avenue, NW.
Washington, DC 20530

Dear Ms. Toensing:

The attached report is the result of an investigation conducted by the NRC Office of Investigations (OI) into an allegation that false statements were made to the NRC by the President of Advanced Medical Systems, Incorporated (AMS) in his written response to an NRC Notice of Violation.

Information developed during this investigation has shown that the President of AMS did, in fact, on two separate matters, respond to the NRC's Notice of Violation with false information. Additionally, the OI investigation determined that the President of AMS also coached one employee to falsely support the President's false statements. The secretary for the firm during questioning under oath by the OI Investigators, provided false information to OI, apparently in an attempt to support the President's false assertions to the NRC.

Notwithstanding the potential regulatory violation, it is also important that the possible criminal violations (18 U.S.C. 1001 and 371) be brought to your attention. Based upon the information provided above, we are forwarding the described report and supporting documentation, including sworn statements made to investigators, for whatever action you may deem appropriate. If there are any questions regarding this matter, feel free to contact Eugene T. Pawlik, Field Office Director, OI, Region III, on FTS 388-5686, Commercial (312) 790-5686.

Sincerely,

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Ben B. Hayes, Director
Office of Investigations

Enclosure: As stated

cc w/o encl:
Chairman Zech
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
V. Stello, EDO
J. Keppler, RIII
E. Pawlik, OI:RIII

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