

NOTICE OF VIOLATION

Magnalarm, Inc.  
Fort Wayne, Indiana

License No. 13-26477-01  
Docket No. 030-33096

During an examination of activities conducted on February 24, 1994, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is listed below:

10 CFR 30.34(h) requires the licensee to notify the appropriate NRC Regional Administrator, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any Chapter of Title 11 (Bankruptcy) of the United States Code by or against the licensee.

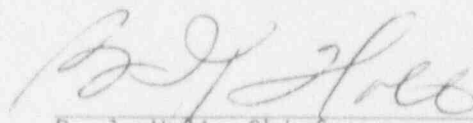
Contrary to the above, on November 19, 1993, the licensee filed a petition for bankruptcy under Chapter 11 of the United States Code and failed to immediately notify, in writing, the appropriate NRC Regional Administrator.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Magnalarm, Inc. is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, Region III, 801 Warrenville Road, Lisle, Illinois, 60532-4351, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or demand for information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

APR 8 1994

Dated \_\_\_\_\_



\_\_\_\_\_  
B. J. Holt, Chief  
Nuclear Materials Inspection  
Section 1

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PDR ADOCK 03033096  
C PDR

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS  
WASHINGTON, D.C. 20555

March 18, 1994

NRC INFORMATION NOTICE 94-21: REGULATORY REQUIREMENTS WHEN NO OPERATIONS ARE  
BEING PERFORMED

Addressees

All fuel cycle and materials licensees.

Purpose

The U.S. Nuclear Regulatory Commission is issuing this information notice to remind addressees that all regulatory requirements must be satisfied even when no operations are being performed. It is expected that recipients will review this information for applicability to their operations and consider actions, as appropriate, to avoid violations of regulatory requirements.

Description of Circumstances

On June 26, 1990, NRC received allegations of safety violations concerning a service company that was licensed to handle and transport radioactive material for its customers. During a followup NRC investigation, the licensee claimed that it was working under the license of its customers, and not under its own license. The licensee viewed its license as "inactive" because activities were not being performed under that authorization. After an extensive investigation, the licensee was cited for seven violations including failure to have an NRC-approved radiation safety officer (RSO) for a period of time, and failure of the radiation safety committee to review all licensed activities.

Discussion

NRC issues licenses for many types of operations, including service companies that may only perform licensed activities for short periods of time at temporary job sites. Many licensees experience slow periods where their workers are inactive, but there is no such thing as an inactive license. Most licenses have a condition similar to the following:

"Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below. The NRC's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.

(Application and correspondence listed chronologically.)"

The radiation safety programs required by NRC regulations and license conditions must be maintained in an active state while the license is in effect. Without a license amendment, a licensee may not suspend required radiation safety programs and then attempt to re-establish these programs at a later date. The license must be amended to authorize such program changes. Licensees should remain competent to undertake activities authorized by their license if they want to maintain their authorization to perform those activities.

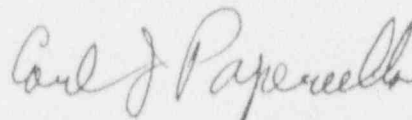
Actions to maintain an active radiation safety program include the following:

- A. Maintaining qualified personnel in key positions (i.e., RSO, radiation safety committee members, etc.).
- B. Holding required safety committee meetings.
- C. Performing required maintenance and calibration of safety equipment.
- D. Completing required training (including periodic retraining).
- E. Maintaining required signs, labels, and postings.
- F. Completing required monitoring and surveillance.
- G. Maintaining required records.

This information notice requires no specific action or written response. It is expected that recipients will consider actions, as appropriate, to avoid violations of regulatory requirements. If you have any questions about the information in this notice, please contact the technical contact listed below or the appropriate regional office.



Robert F. Burnett, Director  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards



Carl J. Paperie, Director  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards

Technical contact: Kevin M. Ramsey, NMSS  
(301) 504-2534

Attachments:

1. List of Recently issued NMSS Information Notices
2. List of Recently issued NRC Information Notices

LIST OF RECENTLY ISSUED  
NMSS INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
94-17	Strontium-90 Eye Applicators: Submission of Quality Management Plan (QMP), Calibration, and Use	03/11/94	All U.S. Nuclear Regulatory Commission Medical Use licensees.
94-16	Recent Incidents Resulting in Offsite Contamination	03/03/94	All U.S. Nuclear Regulatory Commission material and fuel cycle licensees.
94-15	Radiation Exposures during an Event Involving a Fixed Nuclear Gauge	03/02/94	All U.S. Nuclear Regulatory Commission licensees authorized to possess, use, manufacture, or distribute industrial nuclear gauges.
94-09	Release of Patients with Residual Radioactivity from Medical Treatment and Control of Areas due to Presence of Patients Containing Radioactivity Following Implementation of Revised 10 CFR Part 20	02/03/94	All U.S. Nuclear Regulatory Commission medical licensees.
94-07	Solubility Criteria for Liquid Effluent Releases to Sanitary Sewerage under the Revised 10 CFR Part 20	01/28/94	All byproduct material and fuel cycle licensees with the exception of licensees authorized solely for sealed sources.
93-100	Reporting Requirements for Bankruptcy	12/22/93	All U.S. Nuclear Regulatory Commission licensees.
93-80	Implementation of the Revised 10 CFR Part 20	10/08/93	All byproduct, source, and special nuclear material licensees.
93-77	Human Errors that Result in Inadvertent Transfers of Special Nuclear Material at Fuel Cycle Facilities	10/04/93	All nuclear fuel cycle licensees.

LIST OF RECENTLY ISSUED  
 NRC INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
94-20	Common-Cause Failures due to Inadequate Design Control and Dedication	03/17/94	All holders of OLS or CPs for nuclear power reactors.
94-19	Emergency Diesel Generator Vulnerability to Failure from Cold Fuel Oil	03/16/94	All holders of OLS or CPs for nuclear power reactors.
94-18	Accuracy of Motor-Operated Valve Diagnostic Equipment (Responses to Supplement 5 to Generic Letter 89-10)	03/16/94	All holders of OLS or CPs for nuclear power reactors.
94-17	Strontium-90 Eye Applicators: Submission of Quality Management Plan (QMP), Calibration, and Use	03/11/94	All U.S. Nuclear Regulatory Commission Medical Use Licensees.
94-16	Recent Incidents Resulting in Offsite Contamination	03/03/94	All U.S. Nuclear Regulatory Commission material and fuel cycle licensees.
94-15	Radiation Exposures during an Event Involving a Fixed Nuclear Gauge	03/02/94	All U.S. Nuclear Regulatory Commission licensees authorized to possess, use, manufacture, or distribute industrial nuclear gauges.
94-14	Failure to Implement Requirements for Biennial Medical Examinations and Notification to the NRC of Changes in Licensed Operator Medical Conditions	02/24/94	All holders of OLS or CPs for nuclear power and non-power reactors and all licensed reactor operators and senior reactor operators.

OL = Operating License  
 CP = Construction Permit

UNITED STATES  
 NUCLEAR REGULATORY COMMISSION  
 WASHINGTON, D.C. 20555-0001

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