



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406

JAN. 31 1990

Memorandum For: Chester W. White, Director
Region I Office of Investigations

From: William T. Russell,
Regional Administrator

Subject: OI Case No. 1-89-006, RTI, Incorporated

As discussed in the conference on January 19, 1990, relative to the results of the subject investigative effort, we request a re-interview with one of the former employees of RTI, Incorporated. From our discussion, it appears that John B. Russen, the former Radiation Safety Officer, may have information pertaining to the knowledge that John Scandalios, President and CEO, had of matters that were discussed during the enforcement conference (EC) on April 26, 1989.

In an interview with OI on June 22, 1989, Mr. Scandalios indicated that, at the time of the EC, he was unaware that persons had climbed over the cell door. He maintained that even though he was on distribution for a memorandum from Mr. Russen which described such events, dated April 24, 1989 (two days before the EC), the document was not provided to him until sometime in May (after the EC).

We believe that since Mr. Russen was obviously aware of the matter prior to the EC, it would not be unreasonable to expect that he may have briefed his management, including Mr. Scandalios, in preparation for the conference. We understand that licensee representatives (John Russen, Tass Varaklis, Paul Shapiro, and Mr. Scandalios) may have participated in such a meeting the night before the EC.

During the EC, the NRC staff asked a series of questions relative to the licensee's prior knowledge of "keyless entries" into the irradiator cell. In response, the licensee representatives denied that such entries occurred. If Mr. Scandalios knew about these entries into the cell, but failed to inform the NRC staff in response to their questions, we would have to consider the initiation of immediate action to revoke, suspend, or modify the RTI license. Such action would be necessary, since it indicates recurrence of integrity issues involving senior management of RTI.

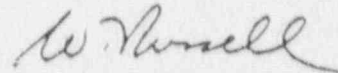
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Accordingly, we request that John B. Russen be re-interviewed to determine if Mr. Scandalios was informed of the "keyless entries" in advance of the EC; and if other matters were discussed that could bear on the integrity of other senior management of RTI, relative to NRC licensed activities. Since Mr. Russen is no longer employed by RTI, he may be more candid in identifying if any senior managers had any prior knowledge relative to this matter, or otherwise attempted to deceive the NRC by either falsification or omission of information.



William T. Russell
Regional Administrator

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