



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

January 8, 1990

Mr. Lawrence Lippe, Chief
Criminal Division, 6th Floor
U.S. Department of Justice
1400 New York Avenue, N.W.
Washington, DC 20530

Dear Mr. Lippe:

The enclosed Report (Case No. 1-89-006) is the result of an investigation conducted by the NRC Office of Investigations (OI) concerning Radiation Technology, Inc. (RTI), an NRC licensee now doing business as Process Technology North Jersey. This matter is being referred to your office because evidence was developed indicating potential criminal violations of 18 USC 1001 and 10 CFR 30.9. 10 CFR 30.9 is issued under Section 161(c) of the Atomic Energy Act (AEA), as amended (42 USC 2201). Section 223(a) of the AEA (42 USC 2273), makes a willful violation of a regulation issued under Section 161(c) of the AEA a criminal act.

This investigation was predicated upon allegations made by the NRC technical staff that RTI management may have provided false, inaccurate, or incomplete information to the NRC at an NRC Enforcement Conference (EC) held on April 26, 1989. Specifically, RTI management in the persons of the President/Chief Executive Officer (CEO), two Vice Presidents, and the Plant Manager/Radiation Safety Officer (RSO), either denied or failed to acknowledge having information that employees had entered the irradiator cell (containing Cobalt 60) by bypassing certain safety and control features associated with the irradiator's personnel access door. The investigation developed evidence that RTI management knew or should have known before the EC of at least three instances when the access door had been breached, without use of the regulation-required latch key, by three different employees.

An NRC safety inspection and the OI investigation also determined that regulatory violations occurred, including the failure of the RSO to maintain the irradiator door lock mechanism in a fully functional mode, which would have provided "positive control over each individual entry," as is required by 10 CFR 20.203. Furthermore, the OI investigation was hindered by false and misleading information that was knowingly provided by one of the irradiator operators. This same operator, during a previous OI investigation (Case No. 1-86-009), initially provided untruthful information to OI investigators which also hindered that investigation. That case eventually resulted in the Federal convictions of three managers, including the former President of the company.

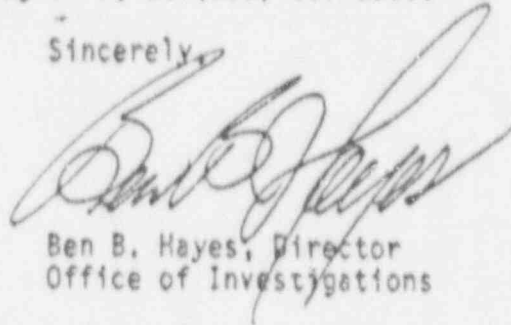
In view of the evidence of possible Federal criminal violations, this report and exhibits, including sworn statements, are being forwarded to you for

Mr. Lippe

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prosecutive consideration and whatever action you deem appropriate. If you have any questions regarding this matter, please feel free to contact Mr. Chester W. White, Director, OI, Region I, at (215) 337-5305.

Sincerely,



Ben B. Hayes, Director
Office of Investigations

Enclosure:
As stated

cc w/o encl:
Chairman Carr
Commissioner Roberts
Commissioner Rogers
Commissioner Curtiss
Commissioner Remick
J. Taylor, ELO
H. Thompson, Jr., DECS
L. Chandler, OGC
W. Parler, OGC
J. Lieberman, OE
R. Bernero, NMSS
W. Russell, RA:RI
C. White, OI:RI

QUESTIONS

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1. WHAT ARE STAFF'S SPECIFIC CONCERNS WITH PROCESS TECHNOLOGY INCORPORATED (MATERIALS FACILITY ON WATCH LIST IN REGION I)? WHEN DOES STAFF PLAN TO TAKE ACTION TO MITIGATE THESE CONCERNS?

concerns - not responses
to Region I.