

AUG 18 1994

Docket No. 030-22026

License No. 37-20746-01
Revocation Date: August 30, 1993
Expiration Date: December 31, 1994

Joseph Paolino and Sons, Incorporated
ATTN: Mr. Louis Paolino
1000 Crawford Place
Mt. Laurel, New Jersey 08054

Dear Mr. Paolino:

SUBJECT: NOTICE OF VIOLATION AND REVOKED LICENSE

This concerns your status as a former licensee of the Nuclear Regulatory Commission (NRC). By Order dated July 30, 1993 you were advised that you were no longer authorized to possess or use NRC licensed material as a result of your failure to pay the Fiscal Year 1992 annual fee. You were directed to transfer any licensed material that was in your possession to an authorized recipient. As of the date of this letter, we have not received a response to the Order. We have made several attempts to contact you by telephone and have been unsuccessful. Our records still indicate that licensed material in the form of cesium-137/americium-241 sealed source(s) remains in your possession. This constitutes unauthorized possession of licensed material. You are reminded that all licensed material in your possession must be transferred to an authorized recipient or you must apply for a new NRC license. If you have already transferred the material, you must provide evidence of when and to whom the transfer was made.

Your possession of that material without a valid, specific license is a violation of Section 30.3 of 10 CFR Part 30. 10 CFR 30.3 requires that except for persons exempted, no person shall possess or use byproduct material except as authorized by a specific or general license. Your previous specific license was revoked effective August 30, 1993 and you have possessed material for which possession requires a specific license.

You should be aware that the Atomic Energy Act (the Act), provides both civil and criminal penalties for violations of the Act and regulations issued pursuant to it. Under Section 234 of the Act, any person who violates the Act is potentially liable for a civil penalty which may be assessed at the rate of up to \$100,000 per day. Furthermore, injunctive relief may also be sought. You should be aware also that Section 223 of the Act provides for criminal prosecution for willful violations of the Act. If you have not completed transfer of all remaining licensed material within 30 days of the date of this letter, or applied for a new NRC license, the NRC will take appropriate action.

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Also, you must immediately place your radioactive material in secure storage until such time as you acquire a valid license or dispose of the material. No other use of the material or purchase of additional material is authorized. Please include a statement in your reply to this Notice of Violation confirming that you have taken this action and describing the controls that will be exercised over the stored material until such time that you obtain a valid license or dispose of the material.

Rather than applying for a new NRC license, if you decide to dispose of your radioactive material, and if you are unable to transfer the licensed material in your possession within the 30 day period, you must advise the Region I office, in writing, of the details of your efforts to find an authorized recipient for the material and why you cannot transfer or otherwise dispose of the material. The information should include the identities of the entities contacted, the nature of the contact, the fee quoted, if any, and the reason why the entity refuses to accept the material, if it does so. If you plan to continue possession of radioactive material, your corrective steps must include prompt filing of an application for a new license. Along with the filing you will need to provide a check for all fees owed to NRC. In addition, you will need to submit the appropriate license fee along with the application.

As indicated above, it appears that your activities are not being conducted in full compliance with NRC requirements. A Notice of Violation is enclosed as Appendix A and categorizes the violation by severity level in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (Enforcement Policy). You are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A.

Please use the enclosed self-addressed green envelope when you respond to the Notice of Violation in this letter to assist us in the timely processing of your response. In accordance with Section 2.790 of NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and your reply will be placed in the Public Document Room. The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

If you have any questions concerning this matter, please contact Dr. Walter J. Pasciak of this office at 610-337-5258. If you have questions relative to fees owed to NRC or to the application fee matter, please contact Ms. Sandra Kimberly, of our Fee Branch at 301-415-6096. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice", a copy of this letter will be placed in the NRC's Public Document Room.

We request that you give prompt attention to this matter. Should you have any questions, we would be pleased to discuss them with you.

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Your cooperation with us is appreciated.

Sincerely,

 Signed By:
C. Hehl

Charles W. Hehl, Director
Division of Radiation Safety and
Safeguards

Enclosure:
Notice of Violation

cc w/Notice of Violation:
Public Document Room (PDR)
Nuclear Safety Information Center (NSIC)
State of New Jersey

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bcc w/Notice of Violation:
Region I Docket Room (w/concurrences)
J. Lieberman, OE
D. Holody, RI
B. Letts, OI
W. Pasciak, RI
S. Johnson, RI

RI:DRSS
SLJ
Johnson
8/16/94

RI:DRSS
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Pasciak
8/17/94

RI:DRSS
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Bellamy
8/17/94

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Hehl
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