

June 5, 1972

Caswell Equipment Company, Inc.
ATTN: Mr. Clinton J. Shaw
President
1215 Second Avenue North
Minneapolis, Minnesota 55405

Gentlemen:

On the basis of an inspection conducted at Nite-Site, Rosemount, Minnesota, by Mr. L. R. Greger of this office on May 11 and 12, 1972, it appears that Caswell Equipment Company received from Nite-Site, Inc., and subsequently transferred, 10 generally licensed gun sights containing promethium 147 to persons not specifically licensed by the Commission to receive such material. The transfer of generally licensed devices to persons not specifically licensed is contrary to Section 31.5(d)(1) of the AEC's "General Licenses For Byproduct Material," Part 31, Title 10, Code of Federal Regulations, which states:

"31.5 Certain measuring, gauging or controlling devices.
(d) Persons who own, receive, acquire, possess or use a device pursuant to the general license contained in this section:

"(1) Shall not transfer, abandon or dispose of the device except by transfer to a person authorized by a specific license from the Commission or an agreement State to receive such device..."

During the discussion of this matter with Mr. Shaw at the completion of the inspection, he stated that Caswell, Inc., would discontinue any further distribution to general licensees and would return all remaining sights in its possession to Nite-Site, Inc.

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LDR 12-4

OFFICE ▶	RO:III	RO:III	RO:III			
SURNAME ▶	Greger	Allen	Grier			
DATE ▶	6-5-72	6-5-72	6-5-72			

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Caswell Equipment
Company, Inc.

- 2 -

June 5, 1972

Please inform us within 20 days, in writing, of the steps you have taken regarding this matter.

Sincerely yours,

Boyce H. Grier
Regional Director

cc: Mr. Elliel Knutsen, President
Nite-Site, Incorporated
Rosemount, Minnesota 55068

bcc: G. W. Roy, RO (2)
R. H. Engelken, RO
H. D. Thornburg, RO
RO Files
PDR
NDIC

OFFICE ▶						
SURNAME ▶						
DATE ▶						

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11 and 12 days or within 20 days, in writing, of the steps you have
taken ~~to~~ ~~regarding~~ this matter.

Sincerely yours,

Boyce H. Grier
Regional Director

cc: Mr. Elliel Knutsen, President
Nite-Site, Incorporated
Rosemount, Minnesota 55068

MEMO ROUTE SLIP Form AEC-93 (Rev. May 14, 1947) AECM 0240		See me about this. Note and return	For copy once. For signature.	For action. For information.
TO (Name and unit) <i>J. A. Dan RO: III</i>	INITIALS DATE	REMARKS <i>Transmitting "Caswell" and "Nate-Site" proposed letters</i>		
TO (Name and unit)	INITIALS DATE	REMARKS		
TO (Name and unit)	INITIALS DATE	REMARKS		
FROM (Name and unit) <i>JR. McKee RO: HQ</i>	REMARKS			
PHONE NO.	DATE <i>6-2-72</i>			

USE OTHER SIDE FOR ADDITIONAL REMARKS.

GPO : 1955 O-643-464

D R A F T

JRM:hgs

6-2-72

22-13585-01,-02G

Nite-Site, Incorporated
ATTN: Mr. Elliel Knutsen
President
Rosemount, Minnesota 55068

Gentlemen:

This refers to the inspection conducted by Mr. L. R. Greger of this office on May 11 and 12, 1972, of activities authorized by AEC Byproduct Material License Nos. 22-13585-01 and 22-13585-02G and to the discussion of our findings held with Mr. E. F. Knutsen at the completion of the inspection.

The inspection was an examination of the activities conducted under the licenses as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of the licenses. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

In addition to the above, the inspector examined the corrective action described in your letter dated April 11, 1972, to the Division of Compliance, Region III, with respect to the item of apparent noncompliance noted during an inspection of March 10, 1972. We have no further questions regarding that matter.

During this inspection, it was found that certain of your activities appear to be in noncompliance with AEC requirements. The items and references to the pertinent requirements are listed in the enclosure to this letter. Please provide us in writing, within 20 days, with your comments concerning these items, any steps which have been or

will be taken to correct them, any steps that have been or will be taken to prevent recurrence, and the date all corrective actions or preventive measures were or will be completed. With respect to the two items of noncompliance regarding License No. 22-13585-02G, please describe in your reply to this letter the steps taken or planned to assure that the labels on the ten guns previously transferred to general licensees are replaced with proper labels, and that those general licensees are furnished a copy of Appendix D, 10 CFR 20.

Should you have any questions concerning this inspection, we will be glad to discuss them with you.

Sincerely yours,

Boyce H. Grier
Regional Director

Enclosure:
Description of Noncompliance Items

NITE-SITE, INCORPORATED

License Nos. 22-13585-01 and -02G

Certain activities under your licenses appear to be in noncompliance with AEC ~~minimum~~ requirements as indicated below:

License No. 22-13585-01

1. License Condition No. 8 limits the maximum amount of promethium 147 that may be possessed at any one time to a total of 36 millicuries.

Contrary to the above, the company possessed approximately 165 millicuries of promethium 147 at the time of the inspection.

2. 10 CFR 20.201(b), "Surveys," requires that a licensee shall make or cause to be made such surveys as may be necessary for it to comply with the regulations in this part.

Contrary to the above, no survey was made with regard to the 165 millicuries of promethium 147 stored at 1215 Second Avenue North, Minneapolis, Minnesota, to determine compliance with 10 CFR 20.203(e)(1).

3. 10 CFR 20.207, "Storage of licensed materials," requires that licensed material stored in an unrestricted area shall be secured against unauthorized removal from the place of storage.

Contrary to the above, promethium 147 was stored in an unrestricted area at 1215 Second Avenue North, Minneapolis, Minnesota, and was not secured against unauthorized removal.

License No. 22-13585-02G

1. License Condition No. 4 requires that each gun to which a sight is attached shall bear a label stating the sight model number and the quantity of radioactive material installed.

Contrary to the above, the labels on 10 guns which have had sights attached and were transferred to general licensees, do not state the sight model number or the correct quantity of radioactive material installed.

2. License Condition No. 6 requires that a copy of Appendix D, 10 CFR 20, be furnished to each general licensee to whom a generally licensed sight is transferred.

Contrary to the above, a copy of Appendix D, 10 CFR 20, was not furnished to the general licensees to whom generally licensed sights have been transferred.