



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

February 24, 1989

The Honorable Harris W. Fawell
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Fawell:

This is in response to your letter of January 25, 1989 submitted on behalf of your constituent Mr. Robert Pfister, Vice President, Professional Services, Inc. (PSI). Your letter also enclosed a December 27, 1988 letter from Mr. Pfister. These letters raise issues concerning the theft of licensed material and the potential for NRC enforcement action against PSI.

Mr. Pfister has apparently written you as a result of an enforcement conference held with PSI regarding NRC's serious concerns with PSI's control of activities licensed by the NRC. This conference was held because of a recent incident in which PSI lost control of licensed material. Pursuant to 10 CFR 20.207 of the Commission's regulations, PSI, as a licensee of the Commission, is required to assure that licensed material not in secure storage be under constant surveillance and immediate control of responsible licensee personnel. Apparently, as a result of failing to meet this requirement, an unauthorized person was able to gain undetected access and remove the licensed material. Our principal regulatory concern in this matter is with this failure to exercise control of radioactive material.

Our concern is heightened by the fact that the failure by PSI to exercise proper control has been identified two additional times in the recent past when licensed material was either lost or stolen. In addition, a lack of proper control was also demonstrated when gauges were twice run over at construction sites resulting in damage to the gauges. Therefore, we would not characterize PSI's safety record as faultless.

NRC recognizes that PSI is a large firm with both many licensed sources and locations. While it may be more difficult for a larger company to control its activities, it remains the responsibility of PSI to have management controls in place such that at each location there is sufficient management attention, oversight, and accountability to assure that licensed material is properly controlled. Neither the Commission or the public should tolerate lost material caused by the failure to assure that basic requirements to protect the public health and safety are followed.

We are now in the process of determining what enforcement action, if any, should be taken in this matter. Since 1983, four civil penalties have been assessed against PSI for failures associated with its nuclear density gauges. Whether to assess another civil penalty or issue an order has not yet been determined. Consistent with the enclosed NRC Enforcement Policy we will carefully consider the merits of this case. Whatever action is taken, PSI will have a opportunity to respond both to the violations and to the appropriateness of any sanction.

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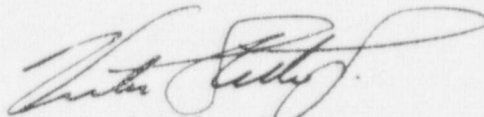
Congressman Fawell

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The specific questions raised in your letter are summarized and answered in the enclosure to this letter.

In sum, we intend to give careful consideration to this matter. We trust that this response is helpful in clarifying this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Victor Stello, Jr.", with a large, sweeping flourish at the end.

Victor Stello, Jr.
Executive Director for Operations

Enclosures: As Stated