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Mr. George A. Wilson, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission

RE: Notice of Violation and Proposed Imposition of Civil Penalty, **EA-20-084**

Dear Mr. Wilson:

I am representing Mr. Motti Slodowitz, President, CampCo Inc. in the matter of the U.S. Nuclear Regulatory Commission's ("NRC") Notice of Violation and Proposed Imposition of Civil Penalty, EA-20-084 ("Notice"). We are requesting remission or mitigation of the \$15,000 penalties for the eight violations stated in the Notice (A \$15,000; B - \$15,000; C - \$15,000; DEF - \$15,000; HI - \$15,000). We believe the penalties far exceed the nature of the violations, and ignore Mr. Slodowitz's many efforts to remedy the violations, some of which received no response or assistance from the NRC. Although we have full respect for the NRC's authority and enforcement function, we do not believe the penalties are fair or consistent with the NRC's Enforcement Policy. These violations had no actual consequences to *public health and safety and they were not willful*"

We realize that it is not NRC's responsibility to assist or promote the use of radioactive materials in commerce or medicine. However, the size of the penalties in the Notice for the ordinary mistakes that occur in many small businesses does more than remind these small businesses of NRC's enforcement authority. It may actually convince potential entrepreneurs to not go into the legitimate business of using radioactive materials at all. My client and his staff were always candid and responsive to all NRC interviews and data requests. Boxes of materials were provided showing that CampCo had kept accurate records. Mr. Slodowitz made his staff available for intensive and grueling interviews over a period of several years.

We have tried to be concise in our response to the violations but we are available for further discussion with your staff, if necessary.

Violation A

As stated in the Notice, License Condition 10 of CampCo's license requires the licensee to distribute only those timepieces whose model numbers are specifically authorized on the license. CampCo believed that MP 18 was added to the license. However, for some reason, it was not, and some MP 18s were shipped. When CampCo discovered that MP 18 was not on the license, the company added MP 18 to the license through a license amendment. In regard to UZI 32, a total of 13 pieces were distributed in error. For the other part numbers identified in the Notice, none were distributed after the Confirmatory Order. Under the CampCo work processes and check lists that were developed in response to

Confirmatory Order EA-14-80, any of these types of error will be largely avoided. Operating a timepiece distribution business like CampCo.'s is incredibly detailed. Some mistakes will be made just because of the nature of the business, with no willfulness or negligence being involved. A penalty of \$15,000 for this violation is excessive, especially in light of Mr. Slodowitz's efforts to correct the deficiencies.

Violation B

There was never a clear template on how the reports needed to be written. There was communication with NRC over the years on how to make the CampCo reports more adequate. At times CampCo had too much extraneous information; some reports only listed total activity and did not list all part numbers. When the NRC amended the CampCo license to include specific part numbers, CampCo then realized that its reports also needed to list part numbers where the prior reports only listed total activity.

Reports were submitted on time. In one instance, CampCo provided reports but the NRC had a mail dysfunction on where to send the reports. The NRC later implemented a better system for receiving reports. CampCo should not be penalized by any dysfunction in the NRC mail system. A \$15,000 penalty is not justified in light of these ambiguities.

Violation C

CampCo understands the requirement for a certificate. However, the NRC created ambiguity, describing a 2015 apparent violation as failing to provide certificates "with each lot distributed". CampCo interpreted this to only apply to distribution to customers and consumers. From a common sense perspective, watches from the manufacturing facility, imported into the United States, and received by CampCo, would not meet the definition of "distributed". CampCo believed that the certificate should only be included when CampCo "distributed" watches to its customers. Based on a clarification from the NRC, in February 2018, in recognition that the watches in inventory lacked the required certificates, CampCo returned all tritium-containing watches back to the manufacturing facility. CampCo now requires a certificate from the manufacturer that accompanies each lot of tritium timepieces imported into the United State. In fact as a self imposed corrective measure, CampCo again shut down our tritium watch program and they sent every watch back to the factory. An absolute clean restart. CampCo's watch business was shut down for 9 months. Knowing that every watch including returns and defective watches plus old obsolete discontinued models were sent back to the factory in Hong Kong created an assurance that no watch that was not on the license could accidentally be sent to a USA based customer.

A \$15,000 penalty is excessive and does not recognize the ambiguity of the NRC statements in regard to certificates.

Violation D, E, F

CampCo had electronic and hard paper records in a log. They were not in a book format, but in a computer and files. There is now an old school pen and paper log book that is easily lost or damaged and easy to manipulate. The existing system was better and this certainly doesn't justify a \$15,000 penalty. Another self imposed safeguard and corrective measure was to create a "shipment received report" that is required for every import of tritium watches. This new report asks detailed step-by-step questions to assure the correct certificates are with that import. The report also double checks that the packing list matches the purchase order and the contents; that the model numbers are on the license; and the tubes are only MB Microtec tubes matching the tube part number on the CampCo license.

CampCo does inspect the watches on arrival. They also inspect in daylight. Mr. Slodowitz committed that he would check each shipment in a dark room. As he was not always on site when a shipment arrives, he instructed my staff to do that visual inspection at some point before the watches were ready for distribution. Violation F The required markings and language have been approved by the NRC and are in accordance with its requirement to be clear and visible to the

public on the products packaging. Not all models are packaged in the same retail boxes. The box is what is used for the upc part number and scan code. That is what the public sees and has access to. The required markings and language have been approved by the NRC and are in accordance with the requirement to be clear and visible to the public on the products packaging. The sticker is on the outer carton on all of the watches. This is what the consumer sees first. This is where the UPC bar code sticker goes. It doesn't make sense from the objective of the requirement for the sticker to be on the inside box that is hidden from the public.

Violation H

CampCo did provide training in the required timeframe. The NRC rejected our training module. CampCo made many attempts to improve the training in order to have it meet the NRC's satisfaction. To date the NRC has not yet approved the training. The following timeline illustrates the frustration that CampCo had in trying to satisfy the NRC training requirement. NOTE: This training would have addressed issues that resulted in apparent violation I:

"Failure to submit draft of the training for approval and incorporate comments until after May 25 2017"

Aug 30 2016: initial training and draft sent to NRC for approval. Sent by Email Aug 31 2016 and by US mail on 9/6/16 . Note this was sent to the NRC 6 weeks after the Confirmatory Order.

Jan 4 2017: NRC sent a response and apologized for the delay. It took the NRC 4 months to respond with comments. NRC gave CampCo 45 days to respond.

Feb 13 2017: CampCo sent response with corrections incorporating NRC comments.

April 20 2017: NRC responds 2 months later still not satisfied with draft of training.

May 11 2017 CampCo asked for extension to send updated draft.

May 24 2017: Email from Hipolito Gonzalez granting extension until May 30 2017.

May 25 2017: Final draft with changes submitted

Aug 8 2017: another updated version submitted

Nov 1 2017: CampCo asked NRC if submitted draft of training is approved.

Feb 12 2018: NRC responds " under management review"

May 9 2019: CampCo asked NRC if draft of training is approved.

May 13 2019: NRC responds " No new updates, still under review"

Violation I:

CampCo did develop checklists and procedures, we had meetings (logs provided) where systems and protocols were discussed and implemented.

Conclusion

We hope the above will lead to the remission and mitigation of the civil penalties. CampCo usually sells thousands of items to customers all of the world. CampCo's tritium watch sales now are dismal. This year CampCo has sold less than 37 watches. Sales have been declining every year as a result of Mr. Slodowitz shutting down the program and sending

back every watch to assure a total and complete clean-out. That self-imposed suspension lasted over 6 months and had a cost of over \$50,000 in freight, and labor to rebuild each watch. Legal bills and staff required to comply with this 3 year NRC inspection and enforcement process also have had a huge price tag. CampCo has suffered.

Sincerely,

A handwritten signature in black ink, appearing to read "FX Cameron", with a long horizontal flourish extending to the right.

Francis X. Cameron

fxcameo@gmail.com

240-205-2091

CC: Mr. David Alley, U.S. Nuclear Regulatory Commission

Mr. Gonzalo Perez, State of California

Mr. Motti Slodowitz, CampCo