



NRC NEWS

U.S. NUCLEAR REGULATORY COMMISSION

801 Warrenville Road

Lisle IL 60532

Web Site: <http://www.nrc.gov>

No. III-02-061

November 7, 2002

CONTACT: Jan Strasma (630) 829-9663

E-mail: opa3@nrc.gov

Viktorija Mitlyng (630) 829-9662

NRC STAFF PROPOSES \$60,000 FINE AGAINST U. S. ENRICHMENT CORP. FOR FAILING TO PROTECT CLASSIFIED INFORMATION AT PADUCAH PLANT

The Nuclear Regulatory Commission staff has proposed a \$60,000 fine against the U. S. Enrichment Corporation (USEC) for failing to properly protect classified information at the Paducah Gaseous Diffusion Plant, which the company operates at Paducah, Kentucky.

USEC was cited for failing to store classified information in a properly secured storage system between October 5 and December 17 of last year. The company was cited for a second violation involving six instances last year and in June of this year in which classified information was transmitted on a telecommunications system which had not been approved for classified information.

The gaseous diffusion plant processes uranium for use in fuel in nuclear power plants. Certain aspects of the uranium enrichment process are considered classified information which must be properly protected from unauthorized disclosure.

In notifying the company of the proposed fine, NRC Regional Administrator Jim Dyer said, "While no compromise of classified information appears to have occurred, the violations are significant in that the information was not properly secured and could have resulted in individuals without the appropriate security clearance obtaining access to classified information."

The company has until December 5 to pay the fine or to protest it. If the fine is protested and subsequently imposed by the NRC staff, the company may request hearing.

The letter notifying the company of the proposed fine and the associated Notice of Violation will be available on the NRC's web site at:

<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/materials/> and from the NRC's Region III Office of Public Affairs. It will also be available in the agency's ADAMS electronic reading room: <http://www.nrc.gov/reading-rm/adams.html>.

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