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June 23, 1997

Rod Reinholdt, Vice President
MQS Inspection, Inc.
2301 Arthur Avenue
Elk Grove Village, IL 60007

SUBJECT: NRC INSPECTION AND NOTICE OF VIOLATION

Dear Mr. Reinholdt:

This refers to the inspections conducted on: September 25, 1996, at the field office in Pittsburgh, PA, and at a temporary job site in Erie, PA; October 9, 1996, at the field office in Warminster, PA; October 10, 1996, at the field office in Wilmington, DL, and at a temporary job site near Newark, DL; October 22, 1996, at the field offices in Berlin and Hartford, CT; December 10, 1996, at the storage location in Pearl City, HI, and December 11, 1996, at a temporary job site in Honolulu, HI; and on May 13, 1997 at the corporate office in Elk Grove Village, IL, with continuing review through May 23, 1997, to evaluate the circumstances of the transportation of an Amersham 680A radiographic exposure device that occurred on September 27, 1996, as noted below. The purpose of the inspections was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of each inspection, an NRC inspector discussed the inspection findings with the respective facility radiation safety officer or manager. Also, on May 13, 1997, the inspector discussed the findings for all the inspections noted above with your Corporate Radiation Safety Officer, Mr. Earl Banfield.

Each inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, independent measurements, and observation of activities in progress.

In addition to the above areas, the inspector examined actions described in your letter dated November 19, 1996, regarding apparent violations found during our August 8, 1996, inspection. We have no further questions regarding violations A.1, A.2, and A.3 of the Notice of Violation dated October 22, 1996. However, corrective actions for Violation B were not effective in that this violation was again found during our inspection as noted below.

Based on the results of these inspections, the NRC identified two violations of NRC requirements that are associated with the transportation on September 27, 1996, of an Amersham Model 680A exposure device containing about 94 curies of cobalt-60 in a

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sealed source from Warminster, PA, to Oyster Creek Nuclear Power Plant near Forked River, NJ, and include failure to: 1) placard the vehicle, and 2) ensure clearly visible RADIOACTIVE YELLOW-III labels were on the package. Unrelated to these violations, two violations of NRC requirements were identified for failure to: 1) use a durable label on an exposure device to identify the name, address and telephone number of the licensee, and 2) limit the possession of depleted uranium shielding to no more than 999 kilograms, total. These violations are cited in the enclosed Notice of Violation (Notice). A written response is required.

Violation No. 2 of the enclosed Notice is a repeat item. In your response to this violation, please describe why your proposed corrective action is expected to be more successful in preventing future or similar violations than the corrective action specified in your letter dated November 19, 1996.

In addition, NRC considered the circumstances surrounding the transportation of the Amersham Model 680A radiographic exposure device noted above and concluded that the lead sheets attached to the sides of the device did not comply with the criteria for an overpack as defined by 49 CFR 171.8.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosure, and your response to this letter will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

Sincerely,

Original Signed by J. Madera for

Roy J. Caniano, Acting Director
Division of Nuclear Materials Safety

License No. 12-00622-07

Docket No. 030-04041

Enclosure: Notice of Violation

cc w/encl: E. Banfield, RSO

bcc w/encl: PUBLIC
H. Clayton, EICS
RI Docket File, DNMS
RIV Docket File, DNMS

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