

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/LOCATION INSPECTED: QUALITY ENGINEERING SOLUTIONS, INC. 7759 ANDREWS LANE CONNEAUT LAKE, PENNSYLVANIA 16316		2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission Region I, 475 Allendale Road King of Prussia, Pennsylvania 19406-1415	
REPORT NUMBER(S) 2005-001			
3. DOCKET NUMBER(S) 030-35092	4. LICENSEE NUMBER(S) 37-30524-D	5. DATE(S) OF INSPECTION MAY 26, 2005	

LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

_____ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

- 4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

(Violations and Corrective Actions)

- A. LICENSE CONDITION NO. 10 OF NRC LICENSE NO. 37-30524-D REQUIRES THAT THE DEVICES BE STORED AT 7759 ANDREWS LANE, CONNEAUT LAKE, PA. CONTRARY TO THE ABOVE SINCE AUGUST OF 2004 THE DEVICES WERE STORED AT 405 WATER ST. CONNEAUT LAKE, A NON-AUTHORIZED LOCATION. LICENSEE WILL RETURN DEVICES TO AUTHORIZED LOCATION AND REQUEST AN AMENDMENT FOR THE NEW STORAGE LOCATION.
- B. LICENSE CONDITION NO. 16 OF THE NRC LICENSE REQUIRES THAT AN PHYSICAL INVENTORY BE CONDUCTED EVERY 6 MONTHS CONTRARY TO THE ABOVE NO INVENTORIES HAVE BEEN CONDUCTED SINCE 2004. LICENSEE WILL CONDUCT INVENTORY.

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE'S REPRESENTATIVE	Sherry Morian	Sherry Morian President	5/24/05
NRC INSPECTOR	DUANE H. LAOWN	Duane H. Laown	05-26-05