



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

September 6, 2006

HIEnergy Technologies, Inc.
ATTN: Dr. Alexander Vaucher
1601 B Alton Parkway
Irvine, California 92606

SUBJECT: NRC INSPECTION REPORT 030-37298/2006-001 (FORM 591M)

Dear Dr. Vaucher:

This letter and the enclosed NRC Form 591M refer to the inspection conducted on August 3, 2006, at your facility located at 1601 B Alton Parkway, Irvine, California. This inspection was an examination of activities conducted under the authority of Byproduct Materials License 04-29234-01 as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of the license. At the conclusion of the inspection, an exit briefing was conducted with you to discuss the inspection findings.

Within the scope of this inspection, no violations were identified; therefore, no response to this letter or the enclosed NRC Form 591M is required.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions concerning this inspection, please contact me at 817-860-8140.

Sincerely,

/RA/

Lawrence Donovan, Staff Health Physicist
Nuclear Materials Inspection Branch

Docket No.: 030-37298
License No.: 04-29234-01

Enclosure: As stated

cc w/enclosure:
California Radiation Control Program Director

bcc w/enclosure (via ADAMS e-mail distribution):

LDWert

CLCain

VHCampbell

JEWhitten

RALeonardi

RITS Coordinator

NMIB

RIV Materials Docket File - 5th floor

SUNSI Review Completed: LD ADAMS: : Yes No Initials: RAL

: Publicly Available Non-Publicly Available Sensitive : Non-Sensitive

DOCUMENT NAME: S:\DNMS\Nmib\Donovan\63729801-591M w Letter.wpd

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RIV:DNMS:NMIB	C:NMIB
LDonovan	VHCampbell
/RA/	/RA Bob Brown for/
09/05/2006	09/06 2006

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T=Telephone

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SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/LOCATION INSPECTED:

**HiEnergy Technologies, Inc
1601 B Alton Parkway
Irvine, California 92606**

2. NRC/REGIONAL OFFICE

**US NRC Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-4005**

REPORT NUMBER(S) **2006-001**

3. DOCKET NUMBER(S)

030-37298

4. LICENSEE NUMBER(S)

04-29234-01

5. DATE(S) OF INSPECTION

August 3, 2006

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)

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			
NRC INSPECTOR	Lawrence Donovan	/RA/	09/5/2006