UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

September 19, 2007

Docket No. 03034284 License No. 45-25374-01

Raja S. El-Awar, P.E.
Principle, RSO
Foundation Engineering Science, Inc.
11843-B Canon Boulevard
Newport News, VA 23606

SUBJECT: INSPECTION 03034284/2007001, FOUNDATION ENGINEERING SCIENCE, INC., NEWPORT NEWS, VIRGINIA SITE AND THE FOUR MILE FORK BUSINESS CENTER, FREDERICKSBURG, VIRGINIA, AND NOTICE OF VIOLATION

Dear Mr. El-Awar:

On June 21 and 22, 2007, Judith A. Joustra of this office conducted a safety inspection at the above address and the Four Mile Fork Business Center, 4719 Jefferson Davis Highway, Fredericksburg, Virginia of activities authorized by the above listed NRC license. The inspection was an examination of your licensed activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selected examination of representative records. Additional information provided in your correspondence dated received July 2, 2007, August 1,2, and 6, 2007, was also examined as part of the inspection. The findings of the inspection were discussed with you on August 20, 2007.

Based on the results of this inspection, it appears that two of your activities were not conducted in full compliance with NRC requirements. A Notice of Violation (Notice) is enclosed that categorizes each violation by severity level. Violation A involved the need to review the radiation safety program at least annually, and this violation had been identified during a previous inspection of your licensed activities and documented in a Notice enclosed with the NRC letter dated June 19, 2006. From this inspection, it appears that your corrective actions were not effective, because this violation has recurred. Therefore, in your response to this letter, you should give particular attention to those actions taken or planned to ensure that identified items of noncompliance will be completely corrected and will not recur.

Violation B involves the need to to conduct an physical inventory that accounts for all sources and/or devices possessed under the license. An inventory which included the missing sources/devices was conducted on July 31, 2007, and submitted to the NRC on August 1, 2007. The NRC has concluded that information regarding the reason for violation B, the corrective actions taken and planned to correct the violation and prevent recurrence is already adequately addressed on the docket in the letter transmitting this Notice. Therefore, you are not required to respond to this violation unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

Current NRC regulations are included on the NRC's website at www.nrc.gov ; select **Nuclear Materials; Medical, Academic, and Industrial Uses of Nuclear Material;** then **Regulations, Guidance, and Communications Page.** The current Enforcement Policy is included on the NRC's website at www.nrc.gov ; select **Site Map,** then scroll down to **Enforcement Policy.** You may also obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-866-512-1800. The GPO is open from 7:00 a.m. to 8:00 p.m. EST, Monday through Friday (except Federal holidays).

Please contact Judy Joustra at 610-337-5355 if you have any questions regarding this matter.

Sincerely,

Original signed by Marie Miller

Marie Miller, Chief
Security and Industrial Branch
Division of Nuclear Materials Safety

Enclosure:
Notice of Violation

cc:
Commonwealth of Virginia

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Sincerely,

Original signed by Marie Miller

Marie Miller, Chief
Security and Industrial Branch
Division of Nuclear Materials Safety

Enclosure:
Notice of Violation

cc:
Commonwealth of Virginia

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NAME	JJoustra/jaj		MMiller/mtm					
DATE	8/21/07		09/21/07					

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NOTICE OF VIOLATION

Foundation Engineering Science, Inc.
Newport News, VA

Docket No. 03034284
License No. 45-25374-01

During an NRC inspection conducted on June 21 and 22, 2007, and August 20, 2007, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

A. 10 CFR 20.110(c) requires that the licensee shall periodically (at least annually) review the radiation safety program content and implementation.

Contrary to the above, as of June 21, 2007, the licensee failed to review the radiation safety program content and implementation at least annually. Specifically, the licensee performed the last periodic review of the radiation safety program on May 6, 2006.

This is a Severity Level IV violation (Supplement IV).

Repeat Violation

B. Condition 15 of NRC License No. 45-25374-01 requires that the licensee conduct a physical inventory every six months to account for all sources and/or devices received and possessed under this license.

Contrary to the above, as of June 21, 2007, the licensee failed to conduct an physical inventory which accounted for all sources and/or devices possessed under the license. Specifically, the licensee conducted a physical inventory on February 27, 2007, which did not include the two Troxler portable gauges located at the licensee's Fredericksburg, Virginia facility.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Foundation Engineering Science, Inc. Is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for violation A: (1) the reason for the violation, or , if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. When good cause is shown, consideration will be given to extending the response time.

The NRC has concluded that information regarding the reason for the violation B, the corrective actions taken and planned to correct the violation and prevent recurrence and the date when full compliance will be achieved is already adequately addressed on the docket. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice.

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, any response which contests an enforcement action shall be submitted under oath or affirmation.

Your response will be placed in the NRC Public Document Room (PDR) and on the NRC Web site. To the extent possible, it should, therefore, not include any personal privacy, proprietary, or safeguards information so that it can be made publically available without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated This _19 th_ day of September 2007