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

August 15, 2008

Docket No. 03033722 License No. 31-30187-01
EA-08-158

John E. Sisson
President
Quality Inspection Services, Inc.
37 Franklin Street
Buffalo, NY 14202

SUBJECT: INSPECTION NO. 03033722/2007001, QUALITY INSPECTION SERVICES, INC., MANCHESTER, CONNECTICUT SITE AND INVESTIGATION REPORT NO. 1-2007-023

Dear Mr. Sisson:

This refers to the safety inspection conducted from March 13, 2007, through July 21, 2008, at the Quality Inspection Services Inc. (QISI) site in Manchester, Connecticut by Craig Gordon of this office. The purpose of the safety inspection was to examine your licensed activities as they relate to radiation safety and compliance with the Commission's regulations and license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selective examination of representative records. Based on the preliminary inspection findings regarding use of an un-approved permanent cell for radiographic operations, and pursuant to a telephone conversation among you, Edward Kendrick, QISI's Vice President, Nuclear Operations, and Marie Miller and Craig Gordon of this office on March 19, 2007, the NRC issued Confirmatory Acton Letter (CAL) No. 1-07-003, dated March 28, 2007. Information provided in your correspondence dated April 30, 2007, in response to this CAL was also examined as part of the inspection. The findings of the inspection were discussed with Doug Miskell, Corporate Radiation Safety Officer (CRSO) on July 21, 2008. The enclosed report presents the results of this inspection.

The CAL documented specific corrective actions and commitments to address the inspection findings, including: (1) QISI would not conduct radiographic operations in the proposed permanent radiographic installation until authorized by the NRC; (2) QISI would promptly transfer the radiography device containing an iridium-192 (Ir-192) source to a QISI licensed facility in New York authorized to receive it; (3) QISI would develop and implement an investigation plan to determine the circumstances and causes related to the unauthorized use of the proposed permanent radiographic installation; and, (4) QISI would develop and implement a corrective action plan to ensure all NRC requirements were met prior to conducting radiographic activities at the Manchester, Connecticut facility. In our letter to you dated October 10, 2007, based on an inspection at your facility on August 30, 2007, we determined that the commitments listed in the CAL were satisfied.

As a result of the information obtained during the inspection, the NRC Office of Investigations (OI) initiated an investigation on March 16, 2007, to determine if QISI performed unauthorized radiography operations at the Manchester, Connecticut facility and whether personnel provided

incomplete and inaccurate information to the NRC during the NRC inspection. A factual summary of the OI Investigation report is enclosed.

Based on the results of the safety inspection and the OI investigation, four apparent violations were identified and are being considered for escalated enforcement in accordance with the current NRC Enforcement Policy. The first apparent violation involves the failure to provide complete and accurate information, both in records presented to and in statements made to the NRC regarding the use of the proposed permanent fixed installation in the Manchester facility, as required by 10 CFR 30.9(a). The second apparent violation involves the failure of the Corporate Radiation Safety Officer (CRSO) to be accompanied by at least one other qualified radiographer during radiography, as required by 10 CFR 34.41(a). The third apparent violation involves the conduct of radiographic operations at a location which was not authorized for use on the license as a permanent radiographic installation, as required by 10 CFR 34.41(b), (the Manchester facility had not been approved by the NRC as an authorized permanent radiographic installation at the time radiography occurred). The fourth apparent violation involves the willful failure by a licensee employee to maintain complete utilization logs for radiographic operations conducted, as required by 10 CFR 34.71. This last apparent violation is of particular concern, as NRC determined that this failure occurred because of careless disregard of the requirement to maintain these records, and because these radiographic records related to the third violation above. Because the NRC has not made a final determination in these matters, no Notice of Violation is being issued at this time. In addition, please be advised that the number and characterization of the apparent violations described in the enclosed documents may change as a result of further NRC review.

Before the NRC makes its enforcement decision, the NRC has scheduled a closed predecisional enforcement conference (PEC) to discuss these apparent violations on August 27, 2008, at 10:00 a.m. at the Region I office. Directions to the Region I office are enclosed. The decision to hold a PEC does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to enable the NRC to make an enforcement decision. This may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned to be taken. The conference will provide an opportunity for you to provide your perspective on these matters and any other information that you believe the NRC should take into consideration in making an enforcement decision. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation(s). The guidance in the enclosed excerpt from NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response, if you choose to provide one, 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. To the extent possible, your response should not include any personal privacy,

proprietary, or safeguards information so that it can be made available to the Public without redaction.

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**. The current Enforcement Policy is included on the NRC's Web site at (http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html). 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).

Sincerely,

/RA/

John D. Kinneman, Director
Division of Nuclear Materials Safety

Enclosures:
1. Inspection Report No. 03033722/2007001
2. Factual Summary of OI Investigation Report No.1-2007-003
3. Excerpt from NRC Information Notice 96-28
4. Directions to the Region I Office

cc w/encls:
Douglas Miskell, Radiation Safety Officer
State of New York
State of Connecticut

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John D. Kinneman, Director
Division of Nuclear Materials Safety

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cc w/encls:
Douglas Miskell, Radiation Safety Officer
State of New York
State of Connecticut

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**provided verbal indication that cursory review completed was satisfactory for the purposes of predecisional enforcement conference letter issuance.