License No. 04-23240-01

United States Testing Company, Inc. United Services Group 2506 Davis Street San Leandro, California 94577

Attention: Mr. Robert E. Green

Corporate Radiation Safety Director

Gentlemen:

SUBJECT: NRC INSPECTION

This refers to a special inspection conducted by Messrs. D. Skov and F. Pang of this office on July 22-23, 1987, and July 27, 1987, of activities authorized by NRC License No. 04-23240-01 and to the discussion of our findings held by Messrs. Skov and Pang with you and other members of the staff.

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and compliance with the Commission's rules and regulations and the conditions of your license. Also, this inspection examined your corrective actions required by the NRC Order issued June 17, 1987. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors.

Based upon the results of this inspection, it appears that one of your activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation enclosed as Appendix A to this letter. This item has been categorized into a severity level as described in the NRC Enforcement Policy, 10 CFR Part 2, Appendix C.

Your response to this Notice is to be submitted in accordance with the provisions of 10 CFR 2.201 as stated in Appendix A, Notice of Violation.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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If you have any questions regarding this inspection, we will be glad to discuss them with you.

Sincerely,

James L. Montgomery, Chief Nuclear Materials Safety and Safeguards Branch

Enclosures:

A. Notice of Violation, Appendix A

B. Report No. 03020402/87-03

cc w/enclosures: State of CA

bcc w/enclosures:

RSB/Document Control Desk (RIDS) (IEO5)

G. Cook

B. Faulkenberry

J. Martin Docket File

bcc w/o enclosure B:

LFMB

M. Smith

Region V

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