

October 1, 1996
EN 96-074

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Thermal Sciences, Inc. (EA 95-009)
St. Louis, Missouri

Subject: PROPOSED IMPOSITION OF CIVIL PENALTY - \$900,000

This is to inform the Commission that a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$900,000 will be issued on or about October 1, 1996, to Thermal Sciences, Inc. (TSI), the licensee contractor that manufactures Thermo-Lag fire barrier products. The action is based on an investigation by the Office of the Inspector General, in addition to several inspections performed by NRC staff, that identified nine Severity Level I violations. All of the violations are cited against 10 CFR 50.5, "Deliberate Misconduct," due to TSI having deliberately and repeatedly provided inaccurate or incomplete information to the NRC concerning TSI's fire endurance and ampacity testing programs for Thermo-Lag fire barriers.

In accordance with the Enforcement Policy, a base civil penalty in the amount of \$10,000 normally is considered for a Severity Level I violation involving a licensee contractor. However, in this case, the staff considered the egregious, deliberate, and repeated nature of these violations, especially where the use of Thermo-Lag products resulted in a degradation in the required fire safety margins and an increase in the potential consequence a fire could have on plant safety. Because of the deliberateness of the violations and the increased consequence to safety, in conjunction with the monetary benefit that TSI received by the marketing of inadequately tested products to NRC licensees, the staff considered this matter to constitute a very significant regulatory concern which necessitated a significant enforcement action. Consequently, the NRC decided to utilize its full civil penalty authority under the Atomic Energy Act by invoking enforcement discretion in accordance with Section VII.A of the Enforcement Policy and escalating the civil penalty to the maximum statutory limit of \$100,000 for each of the nine Severity Level I violations. Thus, the total civil penalty for this action is \$900,000. The Commission was consulted on this proposal through SECY-96-198 and expressed no objection.

It should be noted that TSI has not been specifically informed of the enforcement action. The schedule of issuance and notification is:

Mailing of Notice	October 1, 1996
Telephone Notification of Licensee	October 1, 1996

The State of Missouri will be notified.

TSI has thirty days from the date of the Notice in which to respond. Following NRC evaluation of the response, the civil penalty may be remitted, mitigated, or imposed by Order.

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PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION