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Date: 10/2/96 12:12pm
Subject: Fwd: PR#131 \$900,000 FINE AGAINST THERMAL SCIENCE

Lieberman may be getting the message at last. Rosemount got off with no fines.

Subject: PR#131 \$9000,000 FINE AGAINST THERMAL SCIENCE
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United States Nuclear Regulatory Commission
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No. 96-131

FOR IMMEDIATE RELEASE
(Wednesday, October 2, 1996)

NRC STAFF PROPOSES \$900,000 FINE AGAINST THERMAL SCIENCE
FOR VIOLATIONS OF NRC REQUIREMENTS

The Nuclear Regulatory Commission staff has proposed a \$900,000 fine against Thermal Science, Inc., of St. Louis, Missouri, for misrepresentations made by the company to the NRC concerning its Thermo-Lag fire barrier products.

The NRC bases this action on violations of agency requirements found during a review of (1) documents submitted to the agency by Thermal Science on or before October 5, 1991; (2) the transcript of a meeting between the company's president Rubin Feldman and NRC staff on October 17, 1991; and (3) the transcript of criminal proceedings against the company in a Federal district court.

Thermal Science submitted information to NRC during the agency's investigations concerning Thermo-Lag products used for fire protection in nuclear power plants. NRC has concluded that the company misrepresented the level of involvement of a test laboratory, Industrial Testing Laboratories, Inc., (ITL), in fire barrier and other tests. NRC also found that Thermal Science indirectly misrepresented the respective levels of involvement of the company and of test laboratories, including ITL, in the testing of Thermo-Lag products when it provided test reports and other documents, knowing that they

contained inaccurate and/or incomplete information.

The NRC cited nine separate violations.

"Violations involving multiple instances in which a vendor deliberately provides inaccurate and/or incomplete information related to the performance and quality of its important-to-safety products constitute a very significant regulatory concern, are wholly unacceptable, and will not be tolerated," James Lieberman, Director of NRC's Office of Enforcement, said in a letter to Thermal Science. "These violations are further aggravated because they were committed in the context of an ongoing NRC investigation into concerns about the quality and performance of Thermo-Lag products with significant implications regarding the compliance of a substantial number of nuclear power plant licensees with the Commission's regulations."

NRC's Enforcement Policy sets the base civil penalty at \$10,000 for a violation of this severity level. But, Mr. Lieberman said in his letter, the NRC staff decided to raise it to the maximum statutory limit of \$100,000 for each of the nine violations, for a total of \$900,000.

The staff took this action, he said, because of the "egregious, deliberate, and repeated nature of these violations" and because Thermal Science continued to provide inaccurate information to NRC long after being informed of the agency's concerns about Thermo-Lag products. He also noted that supplying insufficiently tested Thermo-Lag to NRC reactor licensees not only placed those licensees in jeopardy of being in violation of NRC regulations, but also resulted in a compromise of the level of plant safety. Mr. Lieberman said the staff took into consideration in determining the civil penalty the monetary benefit Thermal Science gained by marketing inadequately tested fire barrier products.

Thermal Science has 30 days to pay the proposed fine or to protest it. If the fine is protested and subsequently imposed by the NRC staff, the company may request a hearing.

A copy of this enforcement action is available upon request from the NRC's Office of Public Affairs. It also has also been posted on the Internet at this address: <http://www.nrc.gov/OE/rpr/rx.htm>.

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