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NRC ISSUES \$40,000 FINE AGAINST PA. INSPECTION COMPANY;
TWO FORMER EXECUTIVES BARRED FROM LICENSED ACTIVITIES

The Nuclear Regulatory Commission has proposed a \$40,000 fine against a Pennsylvania industrial inspection company for numerous alleged violations of NRC rules, including deliberately directing employees to fabricate records and deliberately providing false information to NRC licensees. The violations involved activities conducted by Power Inspection Inc., based in Wexford (Allegheny County), Pa., as both a vendor performing nuclear-related services for the nuclear industry and as an NRC materials licensee.

In addition to the monetary penalties, the NRC has issued orders affecting two former executives of Power Inspection. The company's former president, Krishna Kumar, has been barred from engaging in NRC-licensed activities for 10 years because of deliberate misconduct while leading the firm. The order also requires that Kumar, for five years after the conclusion of the 10-year period, notify the NRC of any future employment or involvement in activities licensed by the agency. James Mulkey, PI's former vice president and radiation safety officer, has been prohibited from any involvement in NRC-licensed activities for five years. Mulkey must also notify the NRC the first time he engages in activities licensed by the agency.

Two other individuals who previously worked for the company were issued notices of violation.

Edward L. Jordan, the NRC's Deputy Executive Director for Regulatory Effectiveness, Program Oversight, Investigations and Enforcement, wrote to Power Inspection that its actions constituted a "significant regulatory concern because the conduct of licensed activities in accordance with the Commission's requirements depends in large part on the integrity of individuals conducting licensed activities."

"These actions are particularly egregious given the prior conviction of PI and its former president in 1988, for falsifying ET (eddy current testing) equipment calibration certification involving work performed at the Beaver Valley nuclear plant in

Shippingport, Pennsylvania. Despite the prior actions taken against PI and its former president, your company and its representatives continued to engage in wrongdoing," Jordan continued.

The violations were identified through an NRC inspection conducted on December 2-3, 1993, and a subsequent inquiry by the agency's Office of Investigations. It was determined that while acting as a contractor to the Cleveland Electric Illuminating Co. (CEIC) and the Nebraska Public Power District (NPPD) -- both NRC licensees -- Power Inspection deliberately submitted to the licensees inaccurate information.

Specifically, the company:

- On March 5, 1993, deliberately submitted to NPPD three inaccurate letters stating the trustworthiness and reliability of two individuals had been established by investigation, even though Power Inspection knew the individuals had used illegal substances. The lack of information deprived NPPD of a chance to investigate the matter. On Oct. 6, 1993, Power Inspection again deliberately submitted to CEIC three inaccurate letters regarding three individuals who had used illegal substances.

- Around March 1993, deliberately submitted to NPPD's Cooper nuclear power plant three inaccurate eddy current qualification certifications for three individuals. However, Power Inspection knew the individuals had not obtained the required training to be qualified and further, that the individuals had been given the correct answers while taking the certification examination. In October 1993, Power Inspection again deliberately submitted to CEIC's Perry nuclear power plant two inaccurate eddy current qualification certifications for two individuals. This information is crucial to NRC licensees because they need to know the individuals performing such work are knowledgeable and capable when it comes to eddy current testing, which provides information regarding the quality of equipment.

Other specific violations identified by the NRC included:

- On July 14, 1993, Power Inspection provided the NRC with inaccurate information. The information pertained to observations of the company's radiographers; the calibration of a ratemeter; the calibration of pocket dosimeters; the maintenance of source utilization logs; and the availability of personnel monitoring reports.

- As of December 2, 1993, the company did not maintain, as required, current radioactive material utilization logs. The logs are to be kept for three years from the date of material usage, for inspection by the NRC.

- As of December 2, 1993, PI had not observed the

performance of a radiographer involved in radiographic operations since April 1993. Such observations are required to be performed at intervals not to exceed three months.

- As of December 2, 1993, PI failed to maintain utilization logs for radiographic operations conducted in May and June 1993 using a cobalt-60 source at its facility in Wexford, as well as operations conducted from July through November 1993 with an iridium-192 source at various locations in Pennsylvania and Ohio.

- The company failed to ensure that radiographer film badges, used to detect radiation exposure, were promptly returned by the company to the vendor that provided them for processing; failed to meet the requirement that periodic training be given to radiographic personnel every 12 months; failed to perform routine maintenance on an iridium-192 exposure device; did not name a specific individual to serve as radiation safety officer, as required; and failed to perform leakage tests on a cobalt-60 source and an iridium-92 source at intervals not to exceed six months, as required.

The company has 30 days to pay the proposed fine or to request in writing that part or all of the penalty be withdrawn.

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