

July 31, 2014

EA-13-105

George J. Geisser, III, President
Geisser Engineering Corporation
227 Wampanoag Trail
Riverside, RI 02915-2211

SUBJECT: ORDER IMPOSING CIVIL MONETARY PENALTY - \$8,400

Dear Mr. Geisser:

This refers to your letter dated April 15, 2014, in response to the Notice of Violation and Proposed Imposition of Civil Penalty (Notice) sent as an enclosure to our letter dated March 20, 2014. Our letter and Notice described a violation identified during a U.S. Nuclear Regulatory Commission (NRC) inspection conducted on May 9, 2012, at your facility in Riverside, Rhode Island, with continued in-office review through August 15, 2013, and an Office of Investigations (OI) investigation, which was completed on April 26, 2013. The violation involved the failure to file for reciprocity prior to conducting work in NRC jurisdiction, as required by Title 10 of the *Code of Federal Regulations* (10 CFR) 150.20. The violation was characterized at Severity Level II and a civil penalty in the amount of \$11,200 was proposed.

In your response, you disputed the willful aspect of the violation and requested that the NRC consider mitigation of the associated civil penalty. With respect to your dispute of the willful aspect of the violation, the NRC will address this in a separate correspondence. In regards to the request for mitigation of the associated civil penalty, the NRC requested that Geisser Engineering Corporation (GEC) provide a basis for the request. In the e-mail correspondence dated April 30, 2014, you stated that GEC was seeking relief from the proposed civil penalty due to the unexpected payment of a fine to the Commonwealth of Massachusetts (Commonwealth) for GEC's failure to file for reciprocity prior to the use of a nuclear density gauge in the Commonwealth's jurisdiction. You also stated that payment of the NRC proposed civil penalty would pose a financial hardship for GEC. To support the claim of financial hardship, GEC submitted by e-mail its most recent tax returns.

After considering your response, as well as information regarding the civil penalty assessed against GEC by the Commonwealth, the NRC has decided to reduce GEC's civil penalty by 25%. The basis for the NRC's decision is provided in the Appendix attached to the enclosed Order Imposing Civil Monetary Penalty. Specifically, based on the information provided, the NRC notes that payment of the full proposed civil penalty would pose an additional financial hardship for GEC. However, we also considered that the civil penalty should account for the economic benefit GEC gained by not complying with NRC requirements (i.e., avoiding paying reciprocity fees), to serve as a deterrent from similar, future violations. Thus, we hereby serve the enclosed Order on GEC imposing a civil monetary penalty in the amount of \$8,400. Within 30 days of the date that the enclosed Order is issued you must either: (1) pay the civil penalty in accordance with Section IV of the Order; or (2) request a hearing in accordance with Section V of the Order.

We will review the effectiveness of your corrective actions during a subsequent inspection.

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 in the NRC's Agency-wide Documents Access and Management 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. The NRC also includes significant enforcement actions on its Web site at (<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>).

Please contact Mr. Blake Welling at 610-337-5205 to address any questions.

Sincerely,

/RA/

Patricia K. Holahan, Ph.D., Acting Director
Office of Enforcement

Enclosures:

1. Order Imposing Civil Monetary Penalty/Appendix
2. NUREG/BR-0254 Payment Methods

cc w/enclosures:
State of Rhode Island

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