



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

REGION III  
2443 WARRENVILLE RD. SUITE 210  
LISLE, IL 60532-4352

June 16, 2022

EA-22-012  
EN 55632  
NMED No. 210305 (closed)

Mr. Chris Smith  
Vice President, Corporate Compliance  
Mistras Group, Inc.  
161 Tower Dr., Suite E  
Burr Ridge, IL 60527

**SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY –  
\$16,000; NRC REACTIVE INSPECTION REPORT NO. 03035114/2021004(DNMS)  
– MISTRAS GROUP, INC.**

Dear Mr. Smith:

This letter refers to the U.S. Nuclear Regulatory Commission (NRC) inspection conducted from July 20, 2021, through March 3, 2022, concerning Mistras Group, Inc's (Mistras) licensed operations in Prudhoe Bay, Alaska. The purpose of the inspection was to follow up on a report you provided to the NRC concerning a security incident at that site. During the inspection, security-related violations were identified. At the inspection exit meeting on March 3, 2022, Mr. Geoffrey Warren of my staff discussed with Mr. Matthew Kim, your corporate Radiation Safety Director, the circumstances surrounding the apparent violations, the significance of the issues, and the need for lasting and effective corrective actions. Details of the inspection were provided in Inspection Report No. 03035114/2021004(DNMS) (Non-Public).

In the March 28, 2022, letter transmitting the Inspection Report, we provided you the opportunity to address the apparent violations identified in the report by either providing a written response, attending a predecisional enforcement conference, or engaging the NRC in Alternative Dispute Resolution (ADR) mediation before we made our final enforcement decision. In a letter dated April 20, 2022, you provided a written response to the apparent violations.

Based on the information developed during the inspection and the information provided in your response to our Inspection Report dated April 20, 2022, the NRC has determined that violations of NRC requirements occurred and is proceeding with enforcement action. These violations are cited in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) (Enclosure 1) (Non-Public) and the circumstances surrounding them are described in detail in the non-public version of the Inspection Report. The violations are of concern to the NRC for the reasons stated in the Determination of Severity Level and Description of Corrective Actions

Enclosures 1 and 2 contain Sensitive  
Unclassified Non-Safeguards Information.  
When separated from Enclosures 1 and 2,  
this transmittal letter and Enclosure 3 are  
decontrolled.

C. Smith

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(Enclosure 2) (Non-Public). Therefore, these violations are categorized collectively in accordance with the NRC Enforcement Policy as a Severity Level III problem. In accordance with the Enforcement Policy, a base civil penalty is considered for escalated enforcement violations.

Because your facility has been the subject of escalated enforcement actions within the last two years,<sup>1</sup> the NRC considered whether credit was warranted for *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the NRC Enforcement Policy. Credit for identification is not warranted as the violations were identified by the NRC during inspection activities. Corrective actions were documented in NRC Inspection Report No. 03035114/2021004(DNMS) and are also documented in Enclosure 2. Based on these corrective actions, the NRC has determined that *Corrective Action* credit is warranted.

Therefore, to emphasize the importance of control of licensed material and prompt identification of violations, and in recognition of your previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the base amount of \$16,000 for the SL III problem. The current Enforcement Policy is included on the NRC's web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. In addition, issuance of this Notice constitutes escalated enforcement action that may subject you to increased inspection effort.

You may choose to pay the proposed civil penalty, or the cumulative amount of the civil penalties if more than one civil penalty is proposed, by submitting your payment, with the invoice enclosed to this letter, to the following address:

Office of the Chief Financial Officer  
U.S. Nuclear Regulatory Commission  
PO Box 979051  
St. Louis, MO 63197

In addition, you may pay the proposed civil penalty in accordance with NUREG/BR-0254, accessible from the NRC's website at <https://www.nrc.gov/reading-rm/doc-collections/nuregs/brochures/br0254/index.html>. When using NUREG/BR-0254 to pay the civil penalty, the invoice number should be used as the "enforcement action identifier" when submitting your payment through one of the approved methods listed in the brochure. The civil penalty should be paid within 30-days of the date of this letter. The NRC may consider a request for additional time to pay the proposed civil penalty, including the option to enter into an installment agreement, if payment of the civil penalty as a lump sum in the required timeframe would pose a financial hardship. To request additional time to pay, you must submit a written request, with appropriate justification explaining your financial hardship, to [NRCCollections.Resource@nrc.gov](mailto:NRCCollections.Resource@nrc.gov). All requests should be submitted in sufficient time to allow the NRC the ability to review your request for additional time to pay before the 30-day payment period expires.

If you disagree with this enforcement sanction, you may deny the violation, as described in the Notice, or you may request ADR mediation with the NRC in an attempt to resolve this issue. ADR is a general term encompassing various techniques for resolving conflicts using a neutral

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<sup>1</sup> A Severity Level III security-related violation was issued on February 9, 2022 (EA-21-128)

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third party. The technique that the NRC has decided to employ is mediation. Mediation is a voluntary, informal process in which a trained neutral (the "mediator") works with parties to help them reach resolution. If the parties agree to use ADR, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues. Additional information concerning the NRC's ADR program can be found at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>.

The Institute on Conflict Resolution (ICR) at Cornell University has agreed to facilitate the NRC's program as a neutral third party. If you are interested in pursuing this issue through the ADR program, please contact: (1) the ICR at (877) 733-9415; and (2) Mike Kunowski at (630) 829-9618 within 10 days of the date of this letter. You may also contact both ICR and Mr. Kunowski for additional information. Your submitted signed agreement to mediate using the NRC ADR program will stay the 30-day time period for payment of the civil penalties and the required written response, as identified in the enclosed Notice, until the ADR process is completed.

The NRC has concluded that information regarding: (1) the reason for the violations; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance was achieved is already adequately addressed on the docket in Inspection Report No. 03035114/2021004(DNMS) and your letter dated April 20, 2022. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with the NRC's "Rules of Practice" in 10 CFR 2.390, a copy of this letter and Enclosure 3 will be made available electronically for public inspection in the NRC's Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC's website at <http://www.nrc.gov/readingrm/adams.html>. However, Enclosures 1 and Enclosure 2 and your written response, if you choose to provide one, will not be made available electronically for public inspection because of the Security-Related Information that is or would be contained in each. The NRC also includes significant enforcement actions on its web site at <http://www.nrc.gov/reading-rm/doccollections/enforcement/actions/>.

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If you have any questions concerning this matter, please contact Shelbie Lewman, Acting Enforcement Officer, of my staff at (630) 829-9653.

Sincerely,



Signed by Giessner, Jack  
on 06/16/22

John B. Giessner  
Regional Administrator

Docket No. 030-35114  
License No. 12-16559-02

Enclosures:

1. Notice of Violation and Proposed Imposition of Civil Penalty (Non-Public)
2. Determination of Severity Level and Description of Corrective Actions (Non-Public)
3. Civil Penalty Invoice (Public)

cc w/encls: Matthew Kim, Corporate Radiation Safety Director

cc w/o encl: State of Alaska  
State of Illinois

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Letter to C. Smith from John B. Giessner dated June 16, 2022

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY – \$16,000; NRC REACTIVE INSPECTION REPORT NO. 03035114/2021004(DNMS) – MISTRAS GROUP, INC.

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DATE	6/9/22	6/9/22	6/16/22	

OFFICIAL RECORD COPY

06/16/2022



**Address/Customer Information**

Mistras Group, Inc.  
161 Tower Dr., Suite E  
Burr Ridge, IL 60527

**Customer Codes**

Account Code: L00000569/1

**Bill Information**

Bill Number: EA-22-012  
Amount Due: \$16,000.00  
Due Date: 07/16/2022

**Contact Us**

Phone Number: 301-415-7554  
Fax Number: 301-415-4135  
Email Address: Fees.Resource@nrc.gov

**Remit to Address**

Office of the Chief Financial Officer  
U.S. Nuclear Regulatory Commission  
P.O. Box 979051  
St. Louis, MO 63197

**Bill Summary**

Initial Charges	\$16,000.00
Discount	0.00
Surcharge	0.00
Interest Charges	0.00
Penalty Charges	0.00
Admin Charges	0.00
Bill Amount	\$16,000.00
Collected	0.00
Applied Credit	0.00
Adjustments	0.00
Amount Due	\$16,000.00

**Credit Summary**

Applied Credit	\$0.00
Unapplied Credit	0.00
Credit Total	\$0.00

**Comments:**

For questions, contact (301) 415-7554 or by email at Fees.Resource@nrc.gov. For NRC debt collection procedures, including interest and penalty provisions, see 31 U.S.C. 3717, 4 CFR 101-105, AND 10 CFR 15.

Invoice is for Civil Penalty EA-22-012, issued to Mistras Group Inc.

For questions, contact the NRC Financial Services and Operations Branch at (301) 415-7554 or by email at Fees.Resource@nrc.gov. For NRC debt collection procedures, including interest and penalty provisions, see 31 U.S.C. 3717, 4 CFR 101-105 and 10 CFR 15. If this invoice is related to an Order Imposing a Civil Penalty, Mistras Group Inc. is required to pay the Civil Penalty within 30 days of the Order date. If payment is in response to a Notice of Violation and Proposed Imposition of a Civil Penalty, please follow the instructions in the Notice. The NRC may consider a request for additional time to pay the Civil Penalty, including the option to enter into an installment agreement, if appropriate. All requests for additional time to pay an invoice must be submitted in writing, with appropriate justification, to NRCCollections.Resource@nrc.gov, and should be submitted sufficiently ahead of time to allow the NRC time to review the request for additional time to pay within the 30-day payment period. This Invoice is related to the Civil Penalty proposed or imposed under EA-22-012, issued to Mistras Group Inc. Please include this reference number on your payment method (see attached Payments Methods Brochure).

**Customer Information**

L00000569/1  
Mistras Group, Inc.  
161 Tower Dr., Suite E  
Burr Ridge, IL 60527

**Change of Address:**

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**Phone:**

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**Remittance Information**

Office of the Chief Financial Officer  
U.S. Nuclear Regulatory Commission  
P.O. Box 979051  
St. Louis, MO 63197

**This Payment References the following Bill:**

EA-22-012

**Outstanding Amount Due:**

\$16,000.00

**Amount Enclosed:**

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