

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION
WASHINGTON, D.C. 20555-0001

February 21, 1995

NRC INFORMATION NOTICE 95-12: POTENTIALLY NONCONFORMING FASTENERS
SUPPLIED BY A&G ENGINEERING II, INC.

Addressees

All holders of operating licenses or construction permits for nuclear power reactors.

Purpose

The U.S. Nuclear Regulatory Commission (NRC) is issuing this information notice to alert addressees to the potential that A&G Engineering II, Inc. (A&G), may have supplied substandard fastener products to NRC licensees and vendors and that documentation may not be available to demonstrate that fasteners supplied by A&G comply with applicable ASME Code requirements. It is expected that recipients will review the information for applicability to their facilities and consider actions, as appropriate, to avoid similar problems. However, suggestions contained in this information notice do not constitute NRC requirements; therefore, no specific action or written response is required.

Description of Circumstances

A&G held American Society of Mechanical Engineers (ASME) Quality System Certificates (Material Manufacturer and Material Supplier) and supplied a significant volume of safety-related threaded fasteners to the nuclear power industry. In May 1993, the NRC received information that A&G had provided substandard fastener products and falsely certified such products to NRC-regulated facilities. At that time, the A&G assets were being liquidated in accordance with bankruptcy court procedures and its administrative offices were in a state of disarray.

Discussion

The information that the NRC received indicated that A&G had purchased threaded fasteners from foreign corporations knowing that they were not tested in accordance with ASME standards and supplied the potentially substandard and fraudulently certified threaded fasteners to the nuclear industry. A&G has supplied a significant number of fasteners to the nuclear industry, but at the time the NRC received the information, the company had filed for bankruptcy and was no longer operating as a business. The A&G ASME Quality System Certificates were terminated on March 18, 1993, for non-payment of fees.

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NRC initiated an investigation in June 1993. NRC found the A&G files in a state of disarray and its computerized record system disabled and unusable. Such important documents as material heat code conversion logs were incomplete or missing. Many of the A&G major suppliers operated outside of the United States and most material certifications by the producing mills (heat analyses) or the results of testing performed by the foreign manufacturers to upgrade material for ASME Code applications could not be located.

The A&G purchase order file documentation that was available for review showed no evidence that certifications had been falsified, and existing documentation of testing by A&G or its subcontractors indicated that the material which was supplied met the applicable physical and chemical requirements. Impact testing data and magnetic particle inspections were generally supported by test reports from the laboratory that performed the tests. However, in many cases, chemical composition data, tensile testing data, material heat treatment information, and hardness testing data cited in the A&G Certified Material Test Reports (CMTRs) could not be verified because of the missing records.

The NRC investigation also revealed that, in many cases, the documentation available at A&G was not adequate to support the material certifications issued by A&G.

Aside from this investigation, NRC has received information indicating that, in at least one instance, material supplied by A&G was different from the heat of material identified in the accompanying CMTR. In January 1994, PECO Energy Company reported to its supplier, HUB, Inc., that 143 out of 150 1½ inch SA-194 GR 7 heavy hex nuts did not meet the material specifications. Specifically, the carbon content of the nuts was too low and significantly different from what was stated on the CMTR. The nuts were certified as traceable to Hamanaka Nut Mgn. Co., Ltd., heat #565289/CGF and were supplied to HUB, Inc., by A&G in 1986. Although HUB removed the remaining A&G nuts from stock with the intent to scrap them, several other utilities had apparently been supplied with heavy hex nuts from this heat.

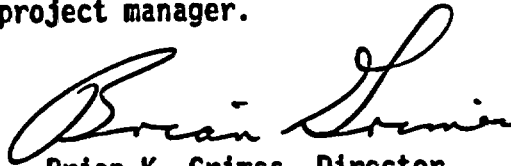
Presently the Superior Court of the State of California, County of Riverside, has placed all records of A&G Engineering II, Inc., in the hands of a Receiver. These records include purchasing files of customers in the nuclear power industry. The Receiver intends to promptly abandon or destroy all records of A&G Engineering II, Inc.

NRC believes that customers in the nuclear power industry should have received all required documentation at the time of procurement. However, based on the

foregoing information anyone desiring copies of such records should contact the Receiver's office at the address listed below.

Christine Pollard
416 N. Garey Avenue
Pomona, California 91767
Telephone: (909) 865-5992

This information notice requires no specific action or written response. If you have any questions about the information in this notice, please contact one of the technical contacts listed below or the appropriate Office of Nuclear Reactor Regulation (NRR) project manager.



Brian K. Grimes, Director
Division of Project Support
Office of Nuclear Reactor Regulation

Technical contacts: Uldis Potapovs, NRR
(301) 415-2959

John R. Tappert, NRR
(301) 415-1167

Attachment:
List of Recently Issued NRC Information Notices

Attachment filed in Tacket

LIST OF RECENTLY ISSUED
 NRC INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
95-11	Failure of Condensate Piping Because of Erosion/Corrosion at a Flow-Straightening Device	02/24/95	All holders of OLs or CPs for nuclear power reactors.
95-10 Supp. 1	Potential for Loss of Automatic Engineered Safety Features Actuation	02/10/95	All holders of OLs or CPs for nuclear power reactors.
95-10	Potential for Loss of Automatic Engineered Safety Features Actuation	02/03/95	All holders of OLs or CPs for nuclear power reactors.
95-09	Use of Inappropriate Guidelines and Criteria for Nuclear Piping and Pipe Support Evaluation and Design	01/31/95	All holders of OLs or CPs for nuclear power reactors.
95-08	Inaccurate Data Obtained with Clamp-On Ultrasonic Flow Measurement Instruments	01/30/95	All holders of OLs or CPs for nuclear power reactors.
95-07	Radiopharmaceutical Vial Breakage during Preparation	01/27/95	All USNRC medical licensees authorized to use byproduct material for diagnostic procedures.
95-06	Potential Blockage of Safety-Related Strainers by Material Brought Inside Containment	01/25/95	All holders of OLs or CPs for nuclear power reactors.
95-05	Undervoltage Protection Relay Settings Out of Tolerance Due to Test Equipment Harmonics	01/20/95	All holders of Construction Permits for nuclear power reactors.

OL = Operating License
 CP = Construction Permit

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orig /s/'d by BKGrimes

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DOCUMENT NAME: 95-12.IN

*See previous concurrence
NOTE: REVIEWED BY J. GOLDBERG, OGC, 2/21/95.

OFFICE	OECEB:DOPS*	ADM:PUB*	SC/OECEB:DOPS*	TSIB:DOTS*
NAME	JTappert		EGoodwin	UPotapovs
DATE	01/04/95	01/04/95	01/05/95	01/17/95
OFFICE	TSIB:DOTS*	C/TSIB:DOTS*	C/OECEB:DOPS*	D/DOPS
NAME	GCwalina	RGallo	AChaffee	BKGrimes
DATE	01/25/95	01/26/95	02/17/95	02/21/95

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DATE	01/04/95	01/04/95	01/05/95	01/17/95

OFFICE	TSIB:DOTS*	C/TSIB:DOTS	C/OECEB:DOPS	D/DOPS
NAME	GCwalina	RGallo	AChaffee	BGrimes
DATE	01/25/95	1/26/95	2/11/95	1/95

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NAME	JTappert 1/17	1/17	EGoodwin S	UPotapovs
DATE	1 / 4 / 95	1 / 4 / 95	1 / 5 / 95	1 / / 95

OFFICE	TSIB:DOTS	C/TSIB:DOTS	C/OECB:DOPS	D/DOPS
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