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SSINS No.: 6835

IN 86-45

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT
WASHINGTON, D.C. 20555

June 10, 1986

RECEIVED Bart D. Withers Vice President, Nuclear JUN 16 1986 Route To: <u>DIST</u>

IE INFORMATION NOTICE NO. 86-45: POTENTIAL FALSIFICATION OF TEST REPORTS ON FLANGES MANUFACTURED BY GOLDEN GATE FORGE AND FLANGE, INC.

Addressees:

All nuclear reactor facilities (including test and research facilities) holding an operating license (OL) or a construction permit (CP).

Purpose:

This notice is provided to alert recipients to potential falsification of certifications for piping flanges. It is expected that recipients will review the information for applicability to their facilities. However, suggestions contained in this notice do not constitute NRC requirements; therefore, no specific action or written response is required. Further efforts are underway and more definitive information and specific requirements for licensee action may be issued in the future.

Description of Circumstances:

On March 7, 1986 the NRC received notification from Consolidated Pipe and Valve Supply Company (CP&VS) of a potentially reportable condition under 10 CFR Part 21 regarding forged flanges fabricated by Golden Gate Forge and Flange (GGF&F) Inc. located at Hunters Point, San Francisco, California. Subsequently, some GGF&F management personnel and the president of a testing laboratory (Westex) pleaded guilty and were sentenced in Federal Court on criminal charges in connection with falsification of test certifications for material supplied to the U.S. Department of Defense (DOD).

The convictions were based on falsifications of records and fraud related to copper nickel forged flanges for marine applications. These activities involved (1) altering independent laboratory test reports to make unacceptable material appear acceptable, (2) delivering and representing unacceptable or untested material from several heats as originating from a single heat for which acceptable test results were available, and (3) altering original material manufacturer mill test reports to make unacceptable material appear acceptable. The NRC cannot conclude by the currently available information whether any defective material has been supplied for use at nuclear power plants. However, GGF&F certifications furnished by Consolidated Pipe and Valve Supply Company to NRC for material supplied to D.C. Cook and Midland appear to indicate that GGF&F

Copies to: Withers, Yundt, Lentsch, Orser, Steele, E. Burton, E. Jordan, A. Holm, LIS, C. A. Olmstead, S. Hoag, S. Sautter, TNP:GOV REL F:NRC CHRONO, TNP:GOV REL F:NRC IE Information Notice 86-45

PGE OAR Action - M. H. Malmros (Due 8/22/86)

NSRD Action - M. H. Malmros

6-18-86

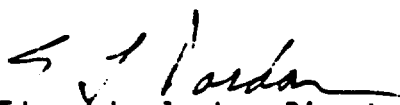
failed to perform required heat treatment, testing of mechanical properties after forging, and nondestructive examination (NDE). These licensees have been separately informed.

Golden Gate Forge and Flange receives alloy materials in ingot or bar form to forge and machine the flanges. The steel mills that produce the alloy materials provide certificates of chemical and mechanical properties of those materials before forging. In some cases, samples are required to be submitted to independent testing laboratories to allow certification of chemical and mechanical properties after forging. In the case of material supplied to DOD, both of these types of reports were altered to make unacceptable or unevaluated material appear acceptable.

Golden Gate Forge and Flange is incorporated in the State of Nevada; its only place of business is at Hunters Point, San Francisco, California. GGF&F produces a full range of flange sizes from 1/2 inch to 24 inches with pressure ratings from 125 to 2500 psi. Materials available include carbon steel, stainless steel, high nickel and copper alloys. The flanges are supplied to specifications including ASTM, ASME Section III Class I, and DOD.

Current information indicates that the falsifications took place from or before May 1983 and continued at least until June 1984.

No specific action or written response is required by this notice. If you have any questions regarding this matter, please contact the Regional Administrator of the appropriate NRC regional office or this office.


-Edward L. Jordan, Director
Division of Emergency Preparedness
and Engineering Response
Office of Inspection and Enforcement

Technical Contact: O. P. Gormley, IE
301-492-9763

Attachment:
List of Recently Issue IE Information Notices

LIST OF RECENTLY ISSUED
IE INFORMATION NOTICES

Information Notice No.	Subject	Date of Issue	Issued to
86-44	Failure To Follow Procedures When Working In High Radiation Areas	6/10/86	All power reactor facilities holding an OL or CP and research and test reactors
86-43	Problems With Silver Zeolite Sampling Of Airborne Radioiodine	6/10/86	All power reactor facilities holding an OL or CP
86-42	Improper Maintenance Of Radiation Monitoring Systems	6/9/86	All power reactor facilities holding an OL or CP
86-41	Evaluation Of Questionable Exposure Readings Of Licensee Personnel Dosimeters	6/9/86	All byproduct material licensees
86-32 Sup. 1	Request For Collection Of Licensee Radioactivity Measurements Attributed To The Chernobyl Nuclear Plant Accident	6/6/86	All power reactor facilities holding an OL or CP
86-40	Degraded Ability To Isolate The Reactor Coolant System From Low-Pressure Coolant Systems in BWRs	6/5/86	All power reactor facilities holding an OL or CP
86-39	Failures Of RHR Pump Motors And Pump Internals	5/20/86	All power reactor facilities holding an OL or CP
86-38	Deficient Operator Actions Following Dual Function Valve Failures	5/20/86	All power reactor facilities holding an OL or CP
86-37	Degradation Of Station Batteries	5/16/86	All power reactor facilities holding an OL or CP

OL = Operating License
CP = Construction Permit