

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

August 6, 1992

NRC INFORMATION NOTICE 92-56: COUNTERFEIT VALVES IN THE COMMERCIAL
GRADE SUPPLY SYSTEM

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 of the results of an NRC investigation of suspect valves, suggesting that counterfeit commercial grade valves may have been procured by NRC licensees. 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 are not NRC requirements; therefore, no specific action or written response is required.

Description of Circumstances

In 1987, Coffeyville Valve, Incorporated, (CVI) supplied approximately 47 Crane Company (Crane) valves through a valve supplier, to the Swinerton & Walberg Construction Company (Swinerton), for installation in the Impell Co-Generation Plant, Camarillo, California. Upon receiving the Crane valves, Swinerton, with the assistance of a Crane Company representative, determined that all of the Crane valves were counterfeit. One of the flaws in the fraudulent nameplate labels found by the Crane Company representative was that only "Crane" was imprinted on the label, instead of "Crane Co." In June 1988, Crane won a civil court action for trademark infringement against CVI.

The NRC staff determined that, in 1987, CVI purchased approximately 7500 nameplate labels from a label manufacturer, and these labels were imprinted with several valve manufacturers' names. The manufacturers' names that were imprinted on the labels that CVI purchased included Crane, Pacific, Walworth, Powell, and Lunkenheimer.

On December 16, 1987, CVI shipped two Crane, 14-inch gate valves, to the Consolidated Edison Company of New York (Con Ed) Indian Point Station Unit 2 (IP-2), through a valve supplier. Con Ed procured the two Crane valves for its nonsafety-related "Feed and Condensate System" and did not require the valve supplier to meet the NRC requirements of Appendix B to 10 CFR Part 50 or 10 CFR Part 21.

9207310194

PDR IEE Notice 92-056 920806

At the request of the NRC staff, a Crane Company representative subsequently inspected the two 14-inch valves, which had been installed at IP-2. After the inspection, the Crane Company representative informed the NRC staff that:

The conclusion to be drawn from the marking, lettering and dimensional observations is that there are sufficient grounds to suspect that the subject two 14-inch valves installed in the Con Ed condensate system were not new Crane manufactured valves at the time they were purchased. The valves are in all likelihood either old Crane valves that have been in unknown service and reconditioned by parties other than Crane Company, or valves of unknown origin with the Crane name applied without the consent of the Crane Company. In either event, the valves were furnished outside the control of Crane Company and would therefore not be under any Crane warrantee as to fitness for service.

Discussion

The information that the NRC staff has compiled suggests that CVI may have supplied suspect Crane valves to other valve suppliers or distributors. Additionally, this information suggests that CVI may have also supplied suspect commercial grade Pacific, Walworth, Powell, and Lunkenhimer valves.

The NRC staff determined that CVI procured several thousand valve labels similar to those used on the fraudulent Crane valves. Although the NRC staff does not have any example where a suspect valve was installed in a safety-related application, the NRC staff is concerned that suspect valves may have been introduced by CVI into the commercial grade valve supply system and may have been installed at some licensee facilities.

NRC requirements allow for commercial grade item dedication for safety-related application. In March 1989, the NRC issued Generic Letter (GL) 89-02, "Actions to Improve the Detection of Counterfeit and Fraudulent Marketed Products." The purpose of GL 89-02 was to share elements of procurement and dedication programs that appeared to be effective in detecting counterfeit or fraudulently marketed products.

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

Charles E. Rossi
Charles E. Rossi, Director
Division of Operational Events Assessment
Office of Nuclear Reactor Regulation

Technical contact: Joseph J. Petrosino, NRR
(301) 504-2979

Attachment: List of Recently Issued NRC Information Notices

LIST OF RECENTLY ISSUED
NRC INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
92-55	Current Fire Endurance Test Results for Thermo-Lag Fire Barrier Material	07/27/92	All holders of OLs or CPs for nuclear power reactors.
92-54	Level Instrumentation Inaccuracies Caused by Rapid Depressurization	07/24/92	All holders of OLs or CPs for nuclear power reactors.
92-53	Potential Failure of Emergency Diesel Generators due to Excessive Rate of Loading	07/29/92	All holders of OLs or CPs for nuclear power reactors.
91-52, Supp. 1	Nonconservative Errors in Overtemperature Delta-Temperature (OTΔT) Set-point Caused by Improper Gain Settings	07/16/92	All holders of OLs or CPs for Westinghouse (W)-designed nuclear power reactors.
92-52	Barriers and Seals Between Mild and Harsh Environments	07/15/92	All holders of OLs or CPs for nuclear power reactors.
92-51	Misapplication and Inadequate Testing of Molded-Case Circuit Breakers	07/09/92	All holders of OLs or CPs for nuclear power reactors.
92-50	Cracking of Valves in the Condensate Return Lines of A BWR Emergency Condenser System	07/02/92	All holders of OLs or CPs for BWRs.
92-49	Recent Loss or Severe Degradation of Service Water Systems	07/02/92	All holders of OLs or CPs for nuclear power reactors.

OL = Operating License
CP = Construction Permit

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

FIRST CLASS MAIL
POSTAGE AND FEES PAID
USNRC
PERMIT NO. G-67