

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

September 25, 2007

NRC INFORMATION NOTICE 1991-09, REV. 1: COUNTERFEITING OF CRANE VALVES

ADDRESSEES

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

PURPOSE

The U.S. Nuclear Regulatory Commission (NRC) is re-issuing this information notice (IN) to correct IN 1991-09, "Counterfeiting of Crane Valves," which was issued on February 5, 1991, to alert licensees to potential problems with counterfeit valves. This revision supersedes the original IN in its entirety. It is expected that recipients will review this information for applicability to their facilities and consider action, as appropriate, to avoid similar problems. However, suggestions contained in this IN do not constitute NRC requirements; therefore, no specific action or written response is required.

DESCRIPTION OF CIRCUMSTANCES

As a result of information obtained from officials of the U.S. Customs office, and as documented in the Settlement Agreements resulting from a civil suit brought by the Crane Company and settled out of court in October 1987, it was determined that counterfeit Crane Company (Crane) valves were sold to an Atlantic Richfield Company (ARCO) chemical plant near Houston, Texas. The NRC was informed that ARCO ordered eight 4-inch, 1500-psi, pressure-sealed Crane valves from the Baytown Supply Co. (Baytown). Baytown ordered the valves from International Valve Service, Inc. (International), and International ordered the valves from Southern California Valve Maintenance Company (SCV). SCV had the valves manufactured in Taiwan. Upon arrival in the United States, the valves bore the mark "SCV" cast on the valve body. International Valve had the valves sent to Amessee Welding Service (Amessee) where, under the direction of International Valve, the SCV Logo was apparently ground off the valves, and the name "Crane" was apparently welded to each valve body. International Valve paid Amessee for this service. The valves were then sent to Baytown Supply in Houston. Baytown had the valves tested at Liberty Valve, a Crane distributor, before sending them to ARCO. All of the valves passed pressure and shell testing. During the testing, Liberty Valve found newspapers printed with Chinese characters in the valves shipping containers and notified Crane. After the valves were shipped to Baytown, an expert on Crane valves examined the valves and identified them as counterfeit. The experts stated that the valves were the size and wall thickness of Crane 2500 psi valves and that the valves weighed 270 lbs. compared to 190 lbs for Crane 1500 psi valves. They also stated that the valves had updated internal parts.

IN CONCLUSION

Through documentation the NRC has received, we have determined that Southern California Valve did not counterfeit these valves and did not perform any service on their own, or pay anybody to change the name of their SCV valves to Crane. Southern California Valve did not have any control over what International Valve did to their valves once the valves were in the possession of International. Likewise we have determined that Baytown Supply did not counterfeit any valves and that they were not a party to the counterfeit name change that International Valve perpetrated and paid for. On the sales invoices that the NRC was presented with, Southern California Valve sold "SCV" valves to International, and International's sales invoice to Baytown showed Crane Valves. This clearly shows that International was the party who did the counterfeiting.