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

September 1, 1989

Mr. William M. Lanza, President
Meredith Corporation, Pressure
Vessel Nuclear
460 Hillside Avenue
Hillside, New Jersey 07205

Dear Mr. Lanza:

Thank you for your letter of August 15, 1989, which requested an extension to September 15, 1989, for Meredith to respond to the Items of Nonconformance identified in our letter of July 21, 1989. Your request is acceptable and we will be expecting your response no later than September 15, 1989.

If you have any questions concerning this matter, please feel free to contact me on (301) 492-0961 or Mr. Ray Cilimberg on (301) 492-3220.

Sincerely,

E. William Brach, Chief
Vendor Inspection Branch
Division of Reactor Inspection and
Safeguards
Office of Nuclear Reactor Regulation

NEWS

United States
Justice Department



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UNITED STATES ATTORNEY
District of New Jersey

Samuel A. Alito Jr.
U.S. Attorney

FOR IMMEDIATE RELEASE:

WEDNESDAY, May 4, 1989

Further Information:

Assistant U.S. Attorney
Walter F. Timpone
201-621-2700

TWO DEFENSE DEPARTMENT SUBCONTRACTORS
THAT SUPPLIED STEEL FOR NAVY SUBS AND SHIPS;
AND FIVE OFFICERS OF THE COMPANIES INDICTED TODAY
IN CONNECTION WITH IMPROPER STEEL SHIPMENTS

(More)

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Dick Lavinthal
Spokesman & Staff Assistant

6/17

NEWARK -- Two U.S. Defense Department steel subcontractors and five of their corporate officers were indicted today for their alleged roles in a scheme in which they sold not military but commercial grade steel used to build and repair U.S. Navy submarines and surface ships. U.S. Attorney Samuel A. Alito Jr. announced.

Alloy & Carbon Steel, Inc., faces a \$6.5 million fine and Meredith Corporation, Pressure Vessel Nuclear, could receive a maximum \$4.1 million fine if convicted on all counts with which they are charged, Alito said.

Alloy & Carbon Steel Company Inc., of Hillside and Meredith Corporation, Pressure Vessel Nuclear of East Brunswick also jointly owned a warehouse in East Brunswick.

Two men who served in top management positions for both companies were also charged in the indictment:

Louis R. Mikosh, 46, of Warren, could receive a maximum punishment of 45 years in jail and \$2.25 million in fines if convicted of all nine counts with which he is charged.

William Lanza, 40 of Fort Lee, faces a maximum of 15 years in jail and fines of \$750,000 if convicted on the three counts on which he was indicted, Alito said.

(More)

Dean Lanza, 31, of Edison -- brother of William Lanza -- Meredith Corporation, Pressure Vessel Nuclear's vice-president of operations, maintained all documentation for both companies' contracts, according to the indictment, and faces a maximum of 80 years in jail and \$4 million fines if convicted on all 16 counts with which he is charged, Alito said.

Hamilton Vazquez, 32, of Lincoln Park, quality control manager for Meredith Corporation, Pressure Vessel Nuclear who, at times, performed similar duties for Alloy & Carbon Steel Company Inc., could receive as much as 65 years in jail and fines of \$3.25 million if convicted on all 13 counts on which he is charged, Alito said.

Thomas Syms, 53, of Carteret, purchasing agent for Alloy & Carbon Steel Company Inc., could receive a maximum punishment of 15 years in jail and fines of \$750,000 if convicted on all charges, Alito said.

All defendants are expected to receive summonses and appear before the U.S. District Court Judge to whom the case will be assigned, Alito said.

The 27-count indictment, handed up this afternoon by a Newark Federal Grand Jury, charges the defendants with substituting

commercial-grade steel for military-grade steel and fraudulently documenting the substitutions as meeting military specifications.

Ten Navy military contractors were identified in the indictment as customers of the defendant corporations. Payments totalling about \$52,000 for the non-conforming steel were made by military contractors to the two indicted corporations, according to the indictment.

"The cost of this fraud to the government shouldn't lessen the severity of the charges against these two companies and their officers," Alito said. "Although no accidents or injuries have been attributed to the commercial-grade steel, our military must be given nothing less than it specifies."

The steel supplied by the defendants was used by the Navy Department in submarines and surface ships that were built or repaired, Alito said.

"Materials subcontractors aren't told the final destination or informed about the specific use of their products when Defense Department contracts are given out," Alito said.

In certain situations contractors can deliver steel of non-military specifications with government approval.

(More)

But in this case the defendants made substitutions themselves and, according to the indictment, even forged documents indicating that the commercial-grade steel met military specifications, Alito said.

Alito credited Special Agents of the Federal Bureau of Investigation, under the direction of Gary L. Penrith, acting special agent-in-charge; and agents of the Naval Investigation Service's Northeast Regional Fraud Unit with developing this case.

An indictment is a formal charge made by a grand jury, a body of 16 to 23 citizens, Alito noted. Grand jury proceedings are secret, and neither persons under investigation nor their attorneys have the right to be present. A grand jury may vote an indictment if 12 or more jurors find probable cause to believe that the defendant has committed the crime or crimes charged.

Despite an indictment, every defendant is presumed innocent, unless and until found guilty beyond a reasonable doubt following a trial at which the defendant has all of the trial rights guaranteed by the U.S. Constitution and federal law.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA :
v. : Hon.
LOUIS MIKOSH, : Criminal No.
WILLIAM LANZA, :
THOMAS SYMS, :
HAMILTON VAZQUEZ, :
DEAN LANZA :
ALLOY & CARBON STEEL, INC. : Title 18, United States Code,
and : Sections 371, 1001, 1341 and 2
MEREDITH CORPORATION, :
PRESSURE VESSEL NUCLEAR STEEL :

INDICTMENT

The United States Grand Jury in and for the District of New Jersey, sitting in Newark, charges that:

COUNT 1

1. At all times material to this Indictment:

A. ALLOY & CARBON STEEL COMPANY INC. ("Alloy") and MEREDITH CORPORATION, PRESSURE VESSEL NUCLEAR ("PVN") were New Jersey corporations located at 460 Hillside Avenue, Hillside, New Jersey and which operated a steel warehouse and supplied steel to companies who contracted with the United States Department of Defense. The companies also maintained a warehouse at 21 Edgeboro Road, East Brunswick, New Jersey. Both Alloy and PVN supplied steel to defense contractors. These contractors used some of the steel to repair and build surface ships and submarines and other equipment for the United States Navy.

B. LOUIS R. MIKOSH was the president and chief executive of Alloy and vice president of PVN and was authorized to prepare, submit, receive and maintain all documentation for Alloy's and PVN's contracts with defense contractors.

C. WILLIAM LANZA was the vice president of Alloy and president of PVN and was authorized to prepare, submit, receive and maintain all documentation for Alloy's and PVN's contracts with defense contractors.

D. THOMAS SYMS was the purchasing agent for Alloy and was authorized to prepare, submit, receive and maintain all documentation for Alloy's and PVN's contracts with defense contractors.

E. DEAN LANZA was the vice president of operations for PVN and was authorized to prepare, submit, receive and maintain all documentation for Alloy's and PVN's contracts with defense contractors.

F. HAMILTON VAZQUEZ was the quality control manager for PVN and, at times, performed quality control duties for Alloy including marking, stenciling, tagging, preparing and packaging steel for shipment.

G. The United States Department of Defense, was an agency of the United States that purchased repair services and military equipment through, among other subdivisions, the United States Navy ("Navy"). The Navy would typically contract with a company to produce military equipment or do repair work and would permit the contractor to subcontract part of the work and purchase parts and supplies from other vendors.

H. When one of the Navy contractors uses various types of steel for equipment production or repairs, the Department of Defense requires that the steel used meet certain physical characteristics known as military specification (MIL-S). The Department of Defense requires that the contractor maintain documentation which proves that the steel used meets the MIL-S specification.

I. Regularly, contractors need small pieces of MIL-S steel to complete a project for the Navy. Large steel mills often cannot ship small loads, therefore, contractors turn to steel warehouses such as Alloy and PVN to provide the MIL-S steel.

J. At times, Navy contractors purchase metals from companies which warehouse steel and sell small quantities, such as Alloy and PVN.

K. When the Navy contractor purchases from others, it normally requires the supplier to provide a certificate that the steel meets the MIL-S specifications. The certificate details the results of chemical and physical property tests performed at the mill (Certified Mill Test Report or "CMTR").

L. In addition to CMTRs, contractors sometimes require that another examination be done by an independent surveyor (American Bureau of Shipping or "ABS") of the steel being purchased to determine if it meets military specifications. ABS prepares a report (ABS report) certifying that the surveyor had examined a piece of steel at the warehouse and compared it to the manufacturer's CMTR and found the steel to be as described on the CMTR.

M. Defense contractors sometimes require an ultrasonic test of the steel to insure that the steel contains no serious flaws which would weaken them. The results of the test are recorded on a document called an ultrasonic test report, which is maintained by the defense contractor.

N. When a defense contractor purchases steel from a warehouse (as described above in paragraph I), it obtains a document from the warehouse known as a Certificate of Conformance which is a certification by the warehouse that the steel being supplied meets or exceeds the requirements of the Department of Defense.

O. The Navy regularly requires that all steel used to repair Navy ships or to make military equipment meets military specifications. However, there is a procedure by which the Navy may authorize a contractor to use commercial grade steel. In these cases once the defense contractor is notified by the supplier that a substitution is being made, the contractor must seek approval from the Navy to use the non-military specification steel. The Navy may choose to accept or reject the substitution.

P. During the relevant times to this Indictment, the following companies were contractors with the Department of Defense through the United States Navy:

Todd Shipyard
Craft Machine Works
Tim Shuler & Associates
Colonnas Shipyard
J.T. Ryerson
Charleston Steel & Metal Co.
Diversified Metals
Manistique Tool & Manufacturing Co.
Precision Fabricators
Marine Hydraulics International Inc.

2. In or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH
WILLIAM LANZA
THOMAS SYMS
HAMILTON VAZQUEZ
DEAN LANZA
ALLOY & CARBON STEEL, INC.
and
MEREDITH CORPORATION, PRESSURE
VESSEL NUCLEAR STEELS

did knowingly and willfully conspire, combine, confederate and agree with each other and others to commit offenses against the United States, that is, to violate Title 18, United States Code, Sections 1001 and 2, in that the defendants did knowingly and willfully make and use and cause to be made and used false, fictitious and fraudulent statements and representations and did make and use and cause to be made and used, false writings and documents in an effort to pass along commercial grade steel as military specification steel.

3. It was further part of said conspiracy that the defendants caused non-conforming steel to be shipped to contractors, knowing full well that this non-conforming steel would be passed along ultimately to the United States Department of Defense and United States Navy as military specification steel.

4. It was further part of said conspiracy that the defendants improperly substituted commercial grade steel for military specification steel on purchase orders by contractors calling for military specification steel.

5. It was further part of said conspiracy that the defendants falsely marked and stenciled steel to make it appear that commercial grade steel was military specification steel.

6. It was further part of said conspiracy that the defendants created false documentation bearing the letterhead of various companies to further make it appear that the steel they were providing to contractors was military specification steel, when, in truth and in fact, those steel manufacturers did not produce military specification steel.

7. It was further part of said conspiracy that the defendants falsely altered manufacturer issued Certified Mill Test Reports to make it appear that the steel being provided to the contractors was military specification steel, when in truth and in fact, the steel provided was commercial grade steel.

8. It was further part of said conspiracy that the defendants caused fraudulent test certificates to be prepared which falsely certified that the steel being provided to the contractors and ultimately to the Navy had been tested and had passed the chemical and physical composition specifications required for military specification steel when, in truth and in fact, the tests had not been performed.

9. It was further part of said conspiracy that the defendants had false certificates of conformance prepared which wrongly certified that the steel Alloy and PVN was supplying to

the contractors met or exceeded the requirements for the steel ordered when, in truth and in fact, the steel did not conform to the orders.

10. It was further part of said conspiracy that the defendants had false American Bureau of Shipping reports prepared which stated that an ABS surveyor examined a specific piece of steel against the manufacturer's Certified Mill Test Report and found the the steel to be as described on the CMTR when in truth and in fact, ABS never performed the examination.

11. It was further part of said conspiracy that the defendants, by providing false and fraudulent documentation to the contractors did cause those contractors to fail to notify the Navy that non-military specification steel was being used for repair of Navy ships and other Navy equipment.

12. It was further part of said conspiracy that in order to obtain payment from the contractors, the defendants submitted false and fraudulent documentation to contractors, along with false and fraudulent invoices amounting to approximately \$52,093, knowing full well that the contractors would ultimately pass along this documentation to the United States Navy, as proof that the steel provided was of military specification and in full conformity with the steel ordered.

13. It was further part of said conspiracy that the defendants accepted payment in the amount of approximately \$52,093 for the steel the defendants had provided to the contractors which the defendants knew full well was non-conforming and was to be ultimately sent to the United States Navy as military

specification steel.

OVERT ACTS

In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts were committed:

TODD SHIPYARD PURCHASE ORDER NUMBER SF-16373

1. On or about June 18, 1985, defendant Alloy received an order from Todd Shipyard ("Todd"), specifically Todd Purchase Order SF-16373, which called for, among other items, two pieces of steel plate with dimensions 3/8" x 96" x 240" and 3/8" x 96" x 120", Specification MIL-S 22698 Grade HT.
2. On or about June 20, 1985, defendant Thomas Syms issued Alloy Purchase Order Number 5318 to Levinson Steel Company for, among other items, two pieces of American Society of Testing Materials ("ASTM") A588 plate with dimensions 3/8" x 96" x 240" and 3/8" x 96" x 240".
3. On or about June 25, 1985, defendant Alloy received the steel from Levinson for Purchase Order Number 5318.
4. In or about June 1985, defendant Alloy received Certified Mill Test Reports indicating that the 3/8" plate mentioned in the preceding paragraphs was manufactured to ASTM A588 specifications, heat number P00402, by United States Steel Corporation.
5. On or about June 27, 1985, defendant Louis Mikosh signed a Certificate of Test, which he caused to be supplied to Todd, that indicated the three-eighths inch steel plate was produced by Phoenix Steel Corporation to MIL-S-22698,

DIVERSIFIED METALS INC. ORDER NUMBER 1548

16. On or about May 3, 1984, Diversified Metals placed an order with defendant PVN on purchase order number 1548 for 25 pieces of 3/8" x 4" x 20' steel bars, with military specification MIL-S-20166B, Grade HT.

17. On or about May 2, 1984, PVN issued a purchase order number 8573 to Azco Steel Company, for 25 pieces of 3/8" x 4" x 21' flat bar, commercial specification ASTM A588.

18. On or about May 4, 1984, defendant Dean Lanza signed a PVN Certificate of Test certifying that 25 pieces of steel bearing heat number A1053 was military specification steel and that the certificate of test was a true copy of a test report on file at PVN when, in fact, he knew that certification was false and fraudulent.

19. On or about May 4, 1984, defendant PVN provided Diversified Metals with a forged and fraudulent Atlantic Steel Company Certified Mill Test Report for heat number A1053 falsely certifying that the steel PVN was providing to Diversified Metals was military specification steel when, in truth and in fact, it was commercial grade steel.

BLANK DOCUMENTS

20. During the period of this Indictment, defendant Louis Mikosh, improperly and wrongly kept blank Atlantic Steel Company Certified Mill Test Reports in his office which he periodically caused to be forged so to falsely certify commercial grade steel was military specification steel.

COUNT 2

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about June 27, 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH
THOMAS SYMS
HAMILTON VAZQUEZ and
ALLOY & CARBON STEEL, INC.

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a Certificate of Test to Todd Shipyard knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Todd Shipyard.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 3

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about June 27, 1985, in Hillside in the District of New Jersey, the defendant

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Todd Shipyard, containing an Alloy invoice number 8708 for steel that Alloy shipped to Todd Shipyard indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 4

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about May 30, 1985, in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a forged Bethlehem Steel Certified Mill Test Report to Colonnas Shipyard knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Colonnas Shipyard.

In violation of Title 18, United States Code,
Sections 1001 and 2.

COUNT 5

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about May 20, 1985, in Hillside in the District of New Jersey, the defendant

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Colonnas Shipyard, containing Alloy invoice number 8629 for steel that Alloy shipped to Colonnas indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 6

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about November 13, 1984 in Hillside in the District of New Jersey and elsewhere, the defendants:

DEAN LANZA
HAMILTON VAZQUEZ and
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a forged Bethlehem Steel Certified Mill Test Report to J.T. Ryerson knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to J.T. Ryerson.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 7

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about November 13, 1984, in Hillside in the District of New Jersey, the defendant

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to J.T. Ryerson, containing PVN invoice number 01602 for steel that PVN shipped to J.T. Ryerson indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 8

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about September 3, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA
HAMILTON VAZQUEZ and
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a forged Certified Mill Test Report to Charleston Steel & Metal Co. knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Charleston Steel & Metal Co.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 9

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about August 31, 1984, in Hillside in the District of New Jersey, the defendant

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Charleston Steel & Metal Co., containing PVN invoice number 01389 for steel that PVN shipped to Charleston Steel indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 10

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about May 6, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA
HAMILTON VAZQUEZ and
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a false Certificate of Test to Diversified Metals knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Diversified Metals.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 11

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about May 7, 1984, in Hillside in the District of New Jersey, the defendant

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Diversified Metals, containing PVN invoice number 01065 for steel that PVN shipped to Diversified Metals indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 12

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about December 17, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

HAMILTON VAZQUEZ
DEAN LANZA
WILLIAM LANZA and
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided forged certified mill test reports to Craft Machine Works knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Craft Machine Works.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 13

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about December 17, 1984, in Hillside in the District of New Jersey, the defendant

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Craft Machine Works, containing PVN invoice number 01716 for steel that PVN shipped to Craft indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 14

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about December 28, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a Certified Mill Test Report to Manistique Tool & Manufacturing Co. knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Manistique Tool & Manufacturing Company.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 15

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about December 28, 1984, in Hillside in the District of New Jersey, the defendant

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Manistique Tool & Manufacturing Company, containing PVN invoice number 01714 for steel that PVN shipped to Manistique indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 16

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about November 12, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH and
ALLOY & CARBON STEEL INC.

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a false Certificate of Test to Tim Shuler & Associates knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Tim Shuler & Associates.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 17

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about November 12, 1984, in Hillside in the District of New Jersey, the defendant

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Tim Shuler & Associates, containing Alloy invoice number 8139 for steel that Alloy shipped to Tim Shuler & Associates indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 1B

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about August 16, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH
THOMAS SYMS and
ALLOY & CARBON STEEL, INC.

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a Non-Destructive Testing Corporation report to Tim Shuler & Associates knowing full well that the report was backdated and the steel tested was not the steel shipped to Tim Shuler & Associates.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 19

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about August 15, 1984, in Hillside in the District of New Jersey, the defendant

LOUIS MIKOSH and
ALLOY & CARBON STEEL, INC.

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Tim Shuler & Associates, containing Alloy invoice number 7898 for steel that Alloy shipped to Tim Shuler & Associates indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 20

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about May 31, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

HAMILTON VAZQUEZ and
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a forged Certified Mill Test Report to Tim Shuler & Associates knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Tim Shuler & Associates.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 21

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about May 31, 1984, in Hillside in the District of New Jersey, the defendant

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Tim Shuler & Associates, containing PVN invoice number 01134 for steel that PVN shipped to Tim Shuler & Associates indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 22

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about June 12, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

HAMILTON VAZQUEZ
DEAN LANZA
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a false Certificate of Conformance to Precision Fabricators certifying that an American Bureau of Shipping inspection was performed on steel being shipped to Precision Fabricators, knowing full well that the steel was not inspected by an ABS surveyor.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 23

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about June 29, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA
HAMILTON VAZQUEZ and
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a forged American Bureau of Shipping Report numbered 84-NY 276-1010 to Precision Fabricators, knowing full well that the ABS inspection referred to thereon never took place.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 24

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA
HAMILTON VAZQUEZ AND
PRESSURE VESSEL NUCLEAR STEEL

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent pretenses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about May 29, 1984, in Hillside in the District of New Jersey, the defendant

DEAN LANZA
HAMILTON VAZQUEZ AND
PRESSURE VESSEL NUCLEAR STEEL

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Precision Fabricators, containing PVN invoice number 01121 for steel that PVN shipped to Precision Fabricators indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 25

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about November 13, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA
HAMILTON VAZQUEZ and
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a forged Certified Mill Test Report to Marine Hydraulics International, Inc. knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Marine Hydraulics International, Inc.

In violation of Title 18, United States Code, Sections 1001 and 2.

COUNT 26

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. From in or about April 1984 through in or about August 1985 in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

knowingly and willfully devised and intended to devise a scheme and artifice to defraud and obtain property by means of false and fraudulent preter-ses, representations, and promises, which scheme and artifice to defraud is in substance set forth in paragraphs 1, and 3 through 13 of Count 1 of this Indictment.

3. On or about October 31, 1984, in Hillside in the District of New Jersey, the defendant

DEAN LANZA and
PRESSURE VESSEL NUCLEAR STEEL

for the purpose of executing a scheme and artifice to defraud and obtain money and attempting to do so, did cause to be delivered by United States mail an envelope to Marine Hydraulics International, Inc., containing PVN invoice number 01575 for steel that PVN shipped to Marine Hydraulics International, Inc. indicating that an order of military specification steel was shipped which in truth and in fact commercial grade steel was shipped.

In violation of Title 18, United States Code, Section 1341.

COUNT 27

1. Paragraphs 1, and 3 through 13 of Count 1 of this Indictment are realleged and incorporated as though set forth in full herein.

2. On or about November 13, 1984, in Hillside in the District of New Jersey and elsewhere, the defendants

DEAN LANZA
HAMILTON VAZQUEZ and
PRESSURE VESSEL NUCLEAR STEEL

in a matter within the jurisdiction of a department and agency of the United States, that is, the United States Department of Defense and the United States Navy, did knowingly and willfully make and use and cause to be made and used a false, fictitious and fraudulent statement and representation and did make and use and cause to be made and used a false writing and document knowing the document and writing contained a false, fictitious and fraudulent statement and entry in that the defendants provided a forged Certified Mill Test Report to Marine Hydraulics International, Inc. knowing full well that the heat number and specification listed thereon were not the true heat number and specification for the steel shipped to Marine Hydraulics International, Inc.

In violation of Title 18, United States Code, Sections 1001 and 2.

A TRUE BILL

FOREPERSON

SAMUEL A. ALITO, JR.
United States Attorney

B10

CONVERSATION RECORD

TIME 11:00 AM

DATE 7/25/89

TYPE VISIT CONFERENCE TELEPHONE INCOMING OUTGOING

Location of Visit/Conference:

NAME OF PERSON(S) CONTACTED OR IN CONTACT WITH YOU	ORGANIZATION (Office, dept., bureau, etc.)	TELEPHONE NO.	ROUTING	
			NAME/SYMBOL	INT
WILLIAM M. LANZA	MEREDITH (PVN)			
SUBJECT IN 89-56 dated 7/20/89				
Insp. Report 99901129/89-01 dated July 21, 1989				

SUMMARY Mr. Lanza requested clarification of the Information Notice 89-56 and asked when the Inspection Report ^(99901129/89-01) would be sent to PVN. I told him that the report was in the mail and I read sections from IN 89-56 to clarify his questions. I previously mailed a copy of IN 89-56 on 7/20/89. Mr. Lanza said that PVN will do any corrective action necessary for PVN to be in conformance with NRC regulations.

CC. C. Mullins

ACTION REQUIRED

NONE

NAME OF PERSON DOCUMENTING CONVERSATION	SIGNATURE	DATE
R. J. CILIMBERG	R J Cilimberg	7/25/89
ACTION TAKEN		

SIGNATURE	TITLE	DATE

B10

B9

Ed B 9/1
Ray C



660 Hillside Avenue • Hillside, New Jersey 07205 • Tel: (201) 964-5300

William M. Lanza

August 15th, 1989

- I do not recall seeing original incoming.
- pls call Meredith and give tel phone ok + extension what a phony expired.
Bee

Mr. E. William Brach
Chief, Vendor Inspection Branch
Division of Reactor Inspection
and Safeguards
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Docket No. 99901129-89-01

Dear Mr. Brach,

This is to request an extension of time to respond to your letter dated July 21, 1989, which enclosed Inspection Report No. 99901129/89-01, relating to the NRC inspections of Meredith Corporation, Pressure Vessel Nuclear Steels ("PVN") conducted on 11/2-4/88 and 2/1-3/89.

As you know, the NRC conducted an additional inspection of Meredith on July 17-18, 1989. At that time and during previous discussions with PVN personnel, the NRC learned informally of PVN's responses to the two non-conformances identified in Inspection Report 99901129/89-01, through its inspector Ray Cilimberg and his colleagues. Unfortunately, due to vacation schedules and the size of our staff, we will be unable to prepare and submit our formal written response to you until September 15, 1989.

We believe good cause exists for granting this modest extension since the NRC has recently conducted an extensive re-inspection of PVN, and is actually aware of PVN's long-standing and continuing efforts to comply with all applicable NRC and ASME code requirements.

If there are any questions I can answer prior to the submission of our formal response, please do not hesitate to contact me.

Sincerely yours,

W. M. Lanza
William M. Lanza
President

WML:imf
REGISTERED MAIL

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B/9

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