

Dan Kane  
STAFF WRITER

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(315) 470-6266



CRUCIBLE SPECIALTY METALS workers John Smith, left, and Howard Loxton leave the Solvay factory after their shift Saturday afternoon. The contract for about 1,100 Steelworkers union members at the plant expired overnight, and the workers began a strike. Story: A4.

# Workers say Crucible faked steel test reports

By Dan Kane  
Staff Writer

The FBI is investigating workers' allegations that Crucible Specialty Metals, the Navy's top supplier of nuclear-quality steel, falsified years of strength-test reports.

Three employees and a former employee at the plant told the Herald American the company sent hundreds of customers untested steel, some of which may have gone to nuclear facilities around the country. One worker said he personally saw supervisors falsify 15 tests a day for five years.

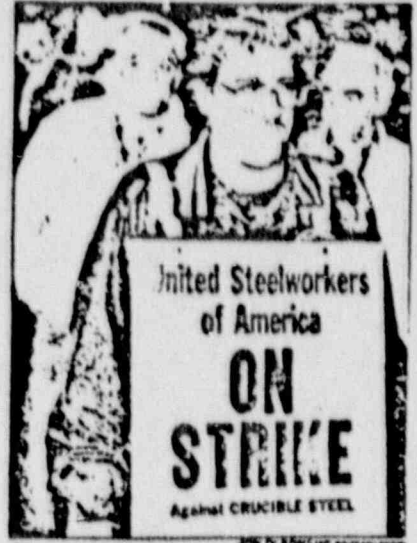
Crucible's president, Francis Petra, said the allegations are unfounded. He said the Naval Investigative Service in 1967 checked into allegations that strength-test reports had been falsified for steel provided to a submarine project, and found no wrongdoing.

"As a result of that inquiry the charges were dropped, and it didn't even become a formal investigation," he said.

The company has passed yearly certification tests by Navy inspectors, Petra added, and has received no complaints from the companies that use the steel to build nuclear submarines and aircraft carriers.

Crucible employs 1,400 people — about 1,100 of them Steelworkers union members, who vowed to strike when their contract expired last night — at its plant on State Fair Boulevard in Solvay, Petra said. Crucible is the nation's largest supplier of Navy nuclear steel, doing \$3 million to \$5 million in business a year.

In the past month, the FBI has contacted two of the workers who were interviewed in the Navy investigation.



STEELWORKER John Sobon dons a sign and walks a picket line early this morning.

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# Crucible denies falsifying test reports on nuclear-quality steel

■ CRUCIBLE

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**THE AGENCY ALSO** is reviewing old files on the case. Michael Raggi, supervisor of the Syracuse office for the Department of Defense Investigative Service, confirmed the FBI requested and received records of the Navy's probe from his agency about two months ago.

Petra said he was unaware of the FBI investigation. He said neither he nor other management employees have been contacted by the FBI.

Les Amann, special agent in charge of the Syracuse FBI office, would neither confirm nor deny there's an investigation.

The Navy's probe, which ran from January 1985 to July 1987, found no wrongdoing, said Lt. Greg Smith, a spokesman in the Navy's press office in Washington, D.C.

The workers who spoke to the Herald American said they told Navy investigators the company had been routinely falsifying reports of steel strength tests up until 1985. They couldn't cite instances where the untested steel led to any mishaps or major complaints.

The Navy's probe focused on one contract to supply steel to its nuclear submarine manufacturer, Newport News Shipbuilders.

The probe began after a Crucible metal lab worker, Richard J. Walker, sent the Defense Department 250 pages of strength test reports he believed were falsified.

**MOST OF THE** reports concerned commercial contracts, which the Navy

had no authority to investigate. Smith, the Navy spokesman, said he didn't know if those documents were turned over to other investigative authorities.

About 4 percent of Crucible's commercial contracts are for nuclear-quality steel, which can wind up in nuclear reactors in a variety of uses. Some of its clients could, in turn, sell that steel to the government, though it probably wouldn't be used for defense work, a source said.

Nuclear-quality steel is produced under closer scrutiny than other products to ensure it meets technical specifications. In government contracts, inspectors from the Defense Contract Administration Services are supposed to supervise the production and testing. The term "nuclear-quality" refers to the testing protocol, not the steel itself.

The FBI probe began this summer when Walker, who was fired this January, informed them of the Navy's investigation.

Walker, 42, of 111 Ferguson Ave., North Syracuse, is suing the company and the union, Local 1277 of the United Steelworkers of America.

He contends he was fired because the company discovered he was behind the Navy probe. He also charges the union knew about the strength-test scheme and chose to pretend it didn't exist.

As a result, union officials didn't back him in a grievance hearing concerning his firing on theft charges, he said.

Local union president Frank Adams and district representative Richard Corcoran could not be reached for comment Friday or Saturday.

**PETRA AND** Willard Pierce, company vice president for industrial relations, said Walker is a complainer who tried to bilk the company of \$5,800 in disability pay.

But three employees, who spoke on the condition their names not be used, confirmed his story.

Two employees said the report falsifying has gone on for as long as 15 years.

"There were certain people over there who spent many, many hours writing (phony reports) rather than doing (the tests)," said one employee who talked to Navy investigators. "Both union and management employees would just sit there on Saturdays and write them up."

Walker and one of the employees described the following incident, which they said led to the Navy probe:

In 1983, an employee had finished a tensile-strength test on a contract for nuclear-quality steel for Newport News Shipbuilding of Newport News, Va. The company builds nuclear submarines for the Department of Defense.

The employee's supervisor saw the contract required two tensile-strength tests. Instead of asking the employee to perform a second test on another piece of steel, the supervisor duplicated the first test's findings.

Walker and the worker said the second test report obviously was false because it didn't include a piece of graph paper that the tensile-strength machine makes to record the steel's strength. The report also was in the supervisor's handwriting, despite the fact union employees perform the tests.

Sources said the employee feared that

if the company were ever investigated, he would be implicated, since the report had his name on it. Instead, he made a copy of the report, and began collecting other reports he believed were falsified. He gave them to Walker in 1984.

**IN 1984**, Walker, who was upset over unsettled complaints he had with the company, turned the reports over to Raggi and another Department of Defense investigator, Don Mancuso. Both investigators were working in the Department of Defense's investigative office on Long Island at the time.

Raggi and Mancuso questioned Walker and another employee at the Leisure Room, a bar-restaurant in Solvay. They then processed the report and turned it over to the Naval Investigative Service.

Though the Navy's investigation started in January 1985, investigators didn't interview employees and review Naval contracts until the spring of 1987.

Before the Navy could begin its investigation, employees said, Crucible ended the fraudulent practice.

The same employee who had collected the falsified reports filed a grievance against the company in 1985, employees said. His grievance stated that the company was taking away work from union employees by falsifying the reports.

Since the grievance publicized the practice within the plant, the company put a stop to it, the workers said. But the union withdrew the grievance.

Soon after the grievance was withdrawn, the company brought in a new, computerized lathe that cut test pieces from the steel at a much faster rate.