

February 21, 1986

MEMORANDUM FOR: R. Keith Christopher, Director
Office of Investigations Field Office, Region I

FROM: Edward C. Gilbert, Operations Officer
Office of Investigations

SUBJECT: REQUEST FOR INVESTIGATION OF TELEMECANIQUE REGARDING THE
POSSIBLE FALSIFICATION OF CERTIFICATES OF CONFORMANCE

Please conduct an appropriate investigation pursuant to the enclosed request (with attached supporting documentation), dated February 5, 1986, from Victor Stello, Jr., Acting EDO.

Upon initiation of this investigation, please comply with the 30-day written notification procedure set forth in the EDO's memorandum of July 5, 1985.

Enclosure:
As stated

cc w/o enclosure:
W.D. Hutchison

Distribution:
s/f Fac File Case Opening
c/f
DW/LENA/TELEMECANIQUE

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Release

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For: The Commissioners

From: Victor Stello, Jr.
Executive Director for Operations

Subject: ADVANCE NOTICE OF PROPOSED RULEMAKING "ACCEPTANCE OF PRODUCTS PURCHASED FOR USE IN NUCLEAR POWER PLANT STRUCTURES, SYSTEMS AND COMPONENTS"

Purpose: To obtain approval to publish the subject Advance Notice of Proposed Rulemaking (ANPR) for public comment. The intent is to solicit public comment addressing the appropriate regulatory actions needed to assure that products purchased for use in nuclear power plants will perform the functions necessary to protect the public health and safety.

Background: Recent experience has shown that some products purchased for use in nuclear power plant structures, systems and components are substandard, have falsified records or are otherwise misrepresented. The recognition of the potential safety significance of these circumstances has led to the issuance of several NRC bulletins and information notices. This was done to assure that licensees were informed and took actions to prevent inadequate products from being installed in nuclear power plants.

A generic letter is being prepared to inform licensees that an effective receipt inspection and testing program is considered necessary to enhance the probability that any product installed will perform as expected. The generic letter will also endorse processes ^{that} licensees may use to dedicate commercial grade products for use in safety-related applications. The generic letter will direct licensees to certify to the Commission that they have implemented such a program.

The Chairman notified Congressman Dingell in the response to the Congressional Subcommittee on Oversight and Investigations report "The Threat From Substandard Fasteners: Is America Losing It's Grip?" that the Commission is considering publishing an ANPR^M to obtain comments on enhanced receipt testing requirements at nuclear power plants. This ANPR^M satisfies that commitment.

Discussion:

This ANPR^M solicits public comment on a list of issues related to the procurement of products for use at nuclear power plants. The issues are posed in the form of questions. This is being done to elicit comments that may suggest the appropriate regulatory course of action. This is the regulatory action necessary to enhance the probability that structures, systems and components installed in nuclear power plants will perform as expected. The performance expectation is that the products will perform their intended safety functions or that they will perform their normal functions in a manner which will avoid challenges to the plant safety systems.

This ANPR^M is structured to request comments on the actions necessary to satisfy the intent of the regulations with respect to assuring the quality of products to be installed in safety-related applications and for the dedication of commercial grade products to be installed in safety-related applications.

The ANPR^M also solicits comments on the endorsement of other agency/organization standards or programs.

The questions also solicit descriptions of alternative approaches which may effectively provide the assurances needed for the Commission to find that the products purchased for use in nuclear power plants will perform to protect the public health and safety.

Conclusions/
Recommendations : I recommend that the Commission approve publication of the advanced notice of proposed rulemaking, for comment, in the Federal Register. The ANPR is provided as Enclosure A and Enclosure B contains the NRC information notices and bulletins referenced in the ANPR. The generic letter is Enclosure C.

Victor Stello, Jr.
Executive Director
for Operations

Enclosures:

1. ANPR
2. NRC Information Notices and Bulletins
3. Generic Letter

NUCLEAR REGULATORY COMMISSION

10 CFR Part 50

Acceptance of Products Purchased for use in Nuclear Power Plant Structures, Systems and Components

AGENCY: Nuclear Regulatory Commission.

ACTION: Advanced notice of proposed rulemaking.

Little to be added for summary - discontinue in Supplemental Info.

SUMMARY: The Nuclear Regulatory Commission (Commission) is proposing to develop regulations requiring enhanced receipt inspection and testing of products purchased for use in nuclear power plant structures, systems and components. These regulations are believed to be necessary to provide an acceptable level of assurance that products purchased for use in nuclear power plants will perform as expected to protect the public health and safety. Recent experience has shown that some contractors and/or subcontractors have provided products for use in nuclear power plant structures, systems and components that are substandard, have falsified records, or are otherwise misrepresented. This experience tends to reduce the confidence of the Commission that current industry practices provide assurance that these structures, systems and components actually satisfy the operational requirements necessary to protect public health and safety. This Advanced Notice of Proposed Rulemaking (ANPR) is intended to solicit comments on the need for additional regulatory requirements and to obtain an improved understanding of alternatives to regulatory requirements that could provide assurance that structures, systems and components procured for use in nuclear power plants will perform as expected to protect public health and safety.

In order to inform the public, industry and other government agencies of this proposal and to solicit timely comments as it proceeds, the Commission is

promulgating this notice and requests comments on the merits and substance of a new rule, or other requirements or alternatives.

DATE: The comment period expires (60 days after publication). Comments received after this date will be considered if it is practical to do so, but assurance of consideration cannot be given to comments received after this date.

ADDRESSES: Mail comments to: The Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, Attention: Docketing and Service Branch.

Deliver comments to: 11555 Rockville Pike, Rockville, Maryland between 7:30 a.m. and 4:15 p.m. Federal workdays.

Examine copies of comments received at: The NRC Public Document Room, Gelman Building, 2120 L Street, N.W., Washington, D.C. 20555

FOR FURTHER INFORMATION CONTACT: Max J. Clausen, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555. Telephone (301) 492-0969.

SUPPLEMENTARY INFORMATION:

Background

Appendix B to 10 CFR Part 50, published in 1970 (35 FR 10498), established the

Quality Assurance criteria for safety-related structures, systems and components for nuclear power plants. The purpose of the Quality Assurance criteria in Appendix B is to provide quality assurance requirements for the design, procurement, receipt inspection and testing, construction and operation of nuclear power plant structures, systems and components. The requirements of Appendix B apply to all activities during the design, construction and operating phases of nuclear power plants which affect the safety-related functions of such structures, systems and components. The Quality Assurance criteria of Appendix B are generally structured to confirm the quality of products, designed, purchased, inspected, tested and installed for use in nuclear power plant structures, systems and components. Procedures and actions by licensees and their representatives, conforming to these criteria were intended to detect substandard and poor quality products but were not necessarily designed to detect fraud or an intent to deceive. However, recent cases involving apparently substandard, counterfeit and fraudulently marketed products for nuclear power plant structures, systems and components, have prompted the Commission to reconsider the adequacy of current regulations for detecting counterfeit and fraudulent products and assuring that such products are not used in nuclear power plant structures, systems and components.

Criteria III, IV and VII of Appendix B to 10 CFR Part 50 provide the criteria for the control of purchased structures, systems and components for nuclear power plants. Historically, licensees and their representatives have purchased products with certifications attesting to their quality and have used the certifications as a primary basis for accepting them. However, recent discoveries of counterfeit and substandard products furnished to nuclear power plants by contractors and subcontractors demonstrate that current product acceptance practices,

including those based on sole reliance of certifications and stated catalog specifications, have not been sufficient in all cases. (See NRC Compliance Bulletin No. 87-02 and Supplements 1 and 2, NRC Bulletin No. 88-05 and Supplements 1 and 2, NRC Bulletin No. 88-10, and NRC Information Notice No. 88-19, NRC Information Notice No. 88-35, NRC Information Notice No. 88-46 and Supplement 1, and NRC Information Notice No. 88-48¹).

In many cases, as in part discussed in the above referenced Bulletins and Information Notices, product acceptance practices have failed to detect such counterfeit or substandard products. Therefore, the Commission is considering developing regulations or seeking other methods that will provide an acceptable level of assurance that products purchased for use in nuclear power plant structures, systems and components satisfy requirements and specifications imposed to provide confidence that these items will perform as expected and required to protect the public health and safety.

The Commission's regulations provide two alternative approaches to assure that structures, systems and components satisfy requirements for safety-related applications. A licensee may procure products to the applicable Code or standard for the safety-related structure, system or component. Alternatively, the licensee may purchase a commercial grade product and then using the appropriate procedures and satisfying the Commission's requirements, dedicate the commercial grade product for the safety-related application. Procedures to upgrade commercial

¹ These documents are available for inspection at the Commission's Public Document Room, Gelman Building, 2120 L Street, N.W., Washington, D.C.

grade items for use in nuclear safety-related structure, system and component applications are discussed in the recently published Electric Power Research Institute (EPRI) Report, EPRI NP-5652, "Guideline for the Utilization of Commercial Grade Items in Nuclear Safety Related Applications (NCIG-07),"² which is the subject of Commission Generic Letter No. 88-___.² The experiences that have been discussed in the bulletins and information notices previously referenced apply to products which were obtained using both of the approaches mentioned in this paragraph.

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The Commission is concerned about the quality of commercial products that are used throughout the nuclear plant including applications in the "balance of plant" structures, systems and components. This concern stems from a recognition that substandard structures, systems and components may not function as designed and may challenge safety-related systems unnecessarily or complicate the response to off normal events. Recognizing this concern, commentors are requested to consider the issues and questions in this ANPR^m as they may relate to the need or desirability of more prescriptive regulations or alternatively a performance based requirement for safety-related applications and applications throughout the plant.

A broad spectrum of issues need to be considered prior to deciding on the scope and content of any proposed new regulatory requirements addressing the concerns

² This document is available for inspection at the Commission's Public Document Room, Gelman Building, 2120 L Street, N.W., Washington, D.C.

raised by the experience discussed in the referenced bulletins and information notices. The following questions are posed to raise the issues that the Commission has identified, and are not to be considered to be complete nor intended to bound the scope of public comment on this ANPR^M. The questions are structured in two categories: 1. Products Procured for Use in Safety-Related Structure, System and Component Applications, and 2. Dedication of Commercial Grade Products for Use in Safety-Related Structure, System and Component Applications. Public comments are invited on each of the questions below. Each comment should identify the question to which it responds.

1. Products Procured for Use in Safety-Related Structure, System and Component Applications.

The questions in this section are categorized in four subsections: General, Metallic Products, Nonmetallic Products, and Components.

1.1 General

- 1.1.1 Should the Commission establish specific requirements or performance based type requirements to ensure that products purchased for use in nuclear power plant structures, systems and components satisfy the operational requirements necessary to protect public health and safety?

- 1.1.2 What should the traceability requirements be for all products to be used in safety-related structures, systems and components including those procured commercial grade for subsequent upgrading to safety-related?
- 1.1.3 Should material traceability through all intermediary contractors, subcontractors and processors be required?
- 1.1.4 Should all critical characteristics, e.g., materials, operations, functions, etc. be traceable?
- 1.1.5 Should there be any exceptions to the traceability requirements?
- 1.1.6 What should the requirements be for traceability, e.g., uniquely marking each part whenever possible, bagging, records, etc.?
- 1.1.7 Should product acceptances be restricted to inspections and tests or should product acceptances include, on a sample basis, destructive inspections and tests to verify chemical and physical characteristics?
- 1.1.8 What types of inspections and tests (appropriate for the various types of products) should be required?
- 1.1.9 Should licensees, contractors and subcontractors be encouraged to perform joint testing?

- 1.1.10 If destructive inspections and tests are determined to be necessary, what should the sampling basis be (per vendor, per purchase order, per shipment, per lot, per container, etc.)?
- 1.1.11 Should sample plan testing be permitted for testing or should such testing be on a 100 percent basis?
- 1.1.12 What criteria should be used for allowing sample plan testing during product acceptance?
- 1.1.13 Should the shelf life of appropriate types of structures, systems and components be inspected and verified acceptable during product acceptances?
- 1.1.14 To what extent will an effective vendor audit program and maintenance of a qualified vendor list reduce the likelihood of questionable products being used in nuclear power plants?
- 1.1.15 What are the essential elements, e.g., team composition, depth of audits, and approach that must be included in an effective vendor audit program?
- 1.1.16 What reinspection or reaudit frequency is appropriate to maintain confidence in those vendors on a qualified vendor list?

- 1.1.17 How do licensees assure that Code Certificate holders and "N" stamp vendors are current?
- 1.1.18 Is there an auditable method to demonstrate that licensees actually purchased the product from a qualified vendor, for example, a Code stamp holder certification?
- 1.1.19 Should negative inspection, testing, and audit results be shared with other parties?
- 1.1.20 Is a federal requirement necessary to permit this? ←
- 1.1.21 Are there restraint of trade, antitrust concerns or liabilities associated with these actions?
- 1.1.22 Should licensees, contractors and subcontractors be encouraged to make joint procurements and to share inspection/audit results of joint procurements to enhance the effectiveness of inspections/audits?
- 1.1.23 If joint procurements and inspections/audits are encouraged, should controls be imposed and if so, what and how should these controls be imposed?

- 1.1.24 What audit and testing documentation should be required to provide traceability and confidence to all participants in joint product acceptances?
- 1.1.25 Should the NRC establish and publish a list of approved vendors for various products?
- 1.1.26 If so, how should vendors be selected?
- 1.1.27 If an approved list is established, who should be responsible for maintaining this list?
- 1.1.28 Should licensees be restricted to making procurements from this list?
- 1.1.29 Should the use of a Certificate of Conformance in the procurement process either be prohibited or, if allowed, restricted to issue by the original equipment manufacturer for items that have remained under their direct control?
- 1.1.30 Should the furnishing of original manufacturer's Certified Material Test Reports be made mandatory for procurements made of materials from intermediate vendors?
- H ✓

- 1.1.31 Should the transcribing of an original manufacturer's test data by intermediate vendors onto their own Certified Material Test Reports be forbidden?
- 1.1.32 To what extent should licensees or their representatives be required to inspect the implementation of contractor product acceptance programs?
- 1.1.33 Should licensees be required to audit suppliers' and vendors' implementation of 10 CFR Part 21?
- 1.1.34 Should licensees be required to notify manufacturers, suppliers and vendors of licensee identified problems with vendor provided nonconforming products or programs?
- 1.1.35 What sort of statistical sampling during product inspection is adequate to provide confidence that the product has the requisite assurance of quality?
- 1.1.36 Should licensee participation in a national data system for reporting equipment/component failures by manufacturer and application be required?
- 1.1.37 What are the implications of any new Commission requirements on the Commission's endorsement of the ASME Boiler and Pressure Vessel Code in 10 CFR 50.55a?

1.1.38 What is the best way to coordinate any new requirements with the ASME Boiler and Pressure Vessel Code?

1.1.39 Should those new requirements that relate to areas covered by the ASME Boiler and Pressure Vessel Code (e.g., SA material specifications) be handled through the Code committee system?

1.1.40 To what extent should each of the above items be required for other than safety-related components?

1.2 Metallic products (e.g., fasteners, piping, pipe fittings, weld rod, castings, forgings, bar stock, plate material, stampings, wire, cable, etc.)

1.2.1 Should chemical analyses of the products be required as part of product acceptances?

1.2.2 Should these analyses be performed by destructive (wet chemistry) or by nondestructive means?

1.2.3 Should tests of mechanical properties (e.g., hardness, tensile, impact, etc.) be required as part of product acceptances?

1.2.4 Should these tests be performed by destructive (lab, bench top) or by nondestructive means?

- 1.2.5 When destructive tests are required, are test coupons (when applicable) an acceptable source of test materials for the chemical and mechanical properties tests or should material samples be removed from actual products?

- 1.3 Nonmetallic products (e.g., lubricants, tape, elastomers, seals, paints, filters, etc.)
 - 1.3.1 Should chemical analyses be required for lubricants, tape, elastomers, etc. during product acceptances?

 - 1.3.2 Should these analyses be performed by destructive (wet chemistry) or by nondestructive means?

 - 1.3.3 Should physical property tests (e.g., viscosity for lubricants, hardness for elastomers, efficiency for filters, etc.) be required during product acceptances?

- 1.4 Components (e.g., pumps, valves, circuit breakers, controllers, electronic parts/assemblies and their replacement parts)
 - 1.4.1 Should components be subjected to functional tests during product acceptance?

1.4.2 Should components be disassembled, if necessary during product acceptance, to verify dimensional characteristics?

1.4.3 If not, what methods should be utilized to verify these characteristics?

1.4.4 Should the chemical and physical properties of component materials be analyzed during product acceptance inspections?

^{if}
1.4.5 ~~is~~ so, what means should be utilized? ←

2. Dedication of Commercial Grade Products for Use in Safety-Related Structure, System and Component Applications

The questions in this section are categorized in five subsections: General, Metallic Products, Nonmetallic Products, Components, and Others.

2.1 General

2.1.1 Should the Commission establish specific requirements or performance based type requirements to ensure that commercial grade products being dedicated for use in safety-related nuclear power plant structures, systems and components satisfy the operational requirements necessary to protect public health and safety?

- 2.1.2 Should NRC regulations be revised to endorse and incorporate by reference, industry codes, standards, or guidance documents for dedication programs of commercial grade products for use in safety-related structure, system and component applications?
- 2.1.3 What should the traceability requirements be for all commercial products being upgraded for use in safety-related structures, systems and components?
- 2.1.4 Should material traceability through all intermediary contractors, subcontractors and processors be required?
- 2.1.5 If item traceability is necessary, should there be any provisions for upgrading products whose traceability cannot be established?
- 2.1.6 If so, what should those provisions include?
- 2.1.7 Should the upgrading provisions be any different if the products are heat/lot identified or not?
- 2.1.8 What should the requirements be for traceability, e.g., marking, bagging, records?
- 2.1.9 Should products intended for use in applications where products are normally required to meet a specific standard be inspected to verify that all critical characteristics are met?

- 2.1.10 Should the shelf life of appropriate types of products be inspected and verified acceptable as part of the upgrade inspection process?
- 2.1.11 What types of shelf life controls should be imposed on products which are being upgraded for use in safety-related structures, systems and components?
- 2.1.12 Should all upgrade inspections be restricted to inspections and tests or should they include, on a sample basis, destructive inspections and tests to verify chemical and physical characteristics?
- 2.1.13 What types of inspections and tests (appropriate for the various types of products) should be required?
- 2.1.14 Should inspections verify all critical characteristics (e.g., chemistry, physical properties, dimensions, special processes, etc.)?
- 2.1.15 If destructive inspections and tests are determined to be necessary, how should samples be selected if products are heat/lot identified?
- 2.1.16 How should samples be selected if products are not heat/lot identified?

2.1.17 Should sample plan testing be permitted for nondestructive testing or should such testing be on a 100 percent basis?

2.1.18 What criteria should be used for allowing sample plan testing during upgrade inspection?

2.2 Metallic Products

2.2.1 Should chemical analyses of the products be required as part of upgrade inspections?

2.2.2 Should these analyses be performed by destructive (wet chemistry) or by nondestructive means?

2.2.3 Should tests of mechanical properties (e.g., hardness, tensile, impact, etc.) be required as part of upgrade inspections?

2.2.4 Should these tests be performed by destructive (lab, bench top) or by nondestructive means?

2.2.5 If heat/lot traceable, is sample inspection (destructive and nondestructive) adequate for confirmation of critical characteristics?

2.2.6 If not heat/lot traceable, should products be either sample or 100 percent tested (e.g., hardness) to establish uniformity and then destructively analyzed (e.g., chemical analyses, tensile tested, impact tested, etc.) to determine acceptability?

2.2.7 Should requirements in addition to those included in industry standards (e.g., additional samples, etc.) be required?

2.2.8 When destructive tests are required, are test coupons (when available) an acceptable source of test materials for chemical and mechanical properties tests or should material samples be removed from actual products?

2.3 Nonmetallic Products

2.3.1 Should chemical analyses be required for lubricants, tape, elastomers, etc., proposed for upgrading for use in safety-related systems?

2.3.2 Should these analyses be performed by destructive (wet chemistry) or by nondestructive means?

2.3.3 Should physical property tests (e.g., viscosity for lubricants, hardness for elastomers, efficiency for filters, etc.) be required?

2.3.4 Should critical characteristics be sample inspected or should 100 percent inspection of these characteristics be required?

2.4 Components

2.4.1 Should each critical characteristic be inspected before acceptance for use in safety-related systems?

2.4.2 Should the chemical and physical properties of component materials be analyzed during upgrade inspections?

2.4.3 Where critical characteristics cannot be inspected on each piece, should it be acceptable to establish heat/lot traceability, establish uniformity of lot by sample inspection and thereby accept lot?

2.4.4 Should components be subjected to functional tests on a sampling basis or should they be 100 percent functionally tested?

2.4.5 If sample inspected, what should be the basis of performing only sample inspection?

2.4.6 Should components be disassembled, if necessary, to verify critical dimensional characteristics?

2.4.7 Should this be done on a sampling basis or should 100 percent inspections be required?

2.4.8 What should the basis be for performing only sample inspections?

2.4.9 If components are not disassembled to verify dimensions, what methods should be utilized to verify dimensions?

2.5 Other Questions

2.5.1 Are there any other agency/organization standards or programs that should be adopted for use in upgrading commercial grade products for use in safety-related systems?

2.5.2 Should these standards or programs be endorsed by NRC regulations?

2.5.3 Are there other alternatives which could provide the necessary assurances?

LIST OF SUBJECTS IN 10 CFR PART 50

Antitrust, Classified information, Fire protection, Incorporation by reference, Intergovernmental relations, Nuclear power plants and reactors, Penalty, Radiation protection, Reactor siting criteria, and Reporting and recordkeeping requirements.

The authority citation for this document is: Sec. 161, Pub. L. 83-703, 68 Stat. 948, as amended (42 U.S.C. 2201); Sec. 201, Pub. L. 93-438, 88 Stat. 1242, as amended (42 U.S.C. 5841).

Dated at Rockville, Md. this _____ day of _____ 19_____.

For the Nuclear Regulatory Commission.

Samuel J. Chitt,
Secretary of the Commission.

Complete
signature
Required

INVESTIGATION STATUS RECORD

INSTRUCTIONS: This form is to be completed whenever significant activity has occurred relative to a case or at least every 30 days. If no change has occurred during the 30 day reporting period, indicate "No Change" in the status block. Keep the original with the case file and send one copy to Headquarters, Office of Investigations.

CASE NUMBER Q1-86-005	CATEGORY		OFFICE OI:RI
	<input type="checkbox"/> O - OPERATING REACTOR	<input type="checkbox"/> I - INDIVIDUAL LICENSEE	
	<input type="checkbox"/> C - REACTOR UNDER CONSTRUCTION	<input type="checkbox"/> M - MATERIALS/FUEL	
	<input checked="" type="checkbox"/> V - VENDOR	<input type="checkbox"/> X - OTHER	

ASSIGNED TO Jerome A. Cullings	SUBJECT TELEMECANIQUE/SUSPECTED FALSIFICATION OF CERTIFICATIONS OF CONFORMANCE (COC) FOR MOTOR
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STATUS (Specify date, and provide a brief description)

SUBJECT: (con'd): CONTROL CENTER (MCC) SUPPLIED TO VARIOUS NUCLEAR POWER STATIONS

October 31, 1987: Continued review of documents/notes. ECD is November 1987.

W 11/3/87

November 30, 1987: Continued review of documents/notes. ECD is December 1987.

W 12/1/87

December 31, 1987: No change from the previous reporting period. ECD is January 1988.

W 1/4/88

January 31, 1988: Case being downgraded for anticipation of administrative closing. ECD is February 1988.

W 2/1/88

February 29, 1988: Case closed administratively and issued on February 12, 1988. PRIORITY - normal lower

W

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INVESTIGATION STATUS RECORD

INSTRUCTIONS: This form is to be completed whenever significant activity has occurred relative to a case or at least every 30 days. If no change has occurred during the 30 day reporting period, indicate "No Change" in the status block. Keep the original with the case file and send one copy to Headquarters, Office of Investigations.

CASE NUMBER 1-86-005	CATEGORY		OFFICE OI:RI
	<input type="checkbox"/> O - OPERATING REACTOR	<input type="checkbox"/> I - INDIVIDUAL LICENSEE	
	<input type="checkbox"/> C - REACTOR UNDER CONSTRUCTION	<input type="checkbox"/> M - MATERIALS/FUEL	
	<input checked="" type="checkbox"/> V - VENDOR	<input type="checkbox"/> X - OTHER	

ASSIGNED TO Jerome A. Cullings	SUBJECT TELEMECANIQUE/SUSPECTED FALSIFICATION OF CERTIFICATES OF CONFORMANCE (COC) FOR MOTOR
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STATUS (Specify date, and provide a brief description)

SUBJECT: (con'd): CONTROL CENTERS (MCC) SUPPLIED TO VARIOUS NUCLEAR POWER STATIONS

January 31, 1987: No investigative activity due to higher case load priorities. ECD is October 1987. *W*

February 28, 1987: Investigation reassigned to Jerry Cullings. Investigation will commence week of March 1, 1987. ECD is October 1987. *W*

March 31, 1987: Interviewed VIB inspection and SNH/UE&C personnel who had pertinent information relating to allegations against Telemecanique. VIB Inspector Kamal Naidu (FTS 492-8340); SNH/UE&C Dave Lambert (609-474-9521 ext. 2160) and Ralph Branscord(ext. 2054 or 3049). ECD is October 1987. *W*

April 30, 1987: No investigative activity due to higher case load priorities. ECD is October 1987.

May 31, 1987: No investigative activity due to higher case load priorities. ECD is October 1987. *W*

June 30, 1987: No change from the previous month. *W*

July 31, 1987: No change from the previous month. *W*

August 31, 1987: No change from the previous month. *W*

September 30, 1987: Reviewed request and documents/notes. ECD is November 1987. *W*

Peter

INVESTIGATION STATUS RECORD

INSTRUCTIONS: This form is to be completed whenever significant activity has occurred relative to a case or at least every 30 days. If no change has occurred during the 30 day reporting period, indicate "No Change" in the status block. Keep the original with the case file and send one copy to Headquarters, Office of Investigations.

CASE NUMBER 1-86-005	CATEGORY		OFFICE 01:RI
	O - OPERATING REACTOR C - REACTOR UNDER CONSTRUCTION XX V - VENDOR	I - INDIVIDUAL LICENSEE M - MATERIALS/FUEL X - OTHER	
ASSIGNED TO Unassigned	SUBJECT TELEMECANIQUE/SUSPECTED FALSIFICATION OF CERTIFICATES OF CONFORMANCE (COC) FOR MOTOR		
STATUS (Specify date, and provide a brief description)			
SUBJECT (con'd): CONTROL CENTERS (MCC) SUPPLIED TO VARIOUS NUCLEAR POWER STATIONS			
<p>March 3, 1986: As a result of a November 1984 Vendor Inspection Branch inspection, information was developed indicating that the captioned facility may have supplied defective MCCs (and other components) to various nuclear power stations with falsified COCs, which certified that inspections and tests were performed and the MCCs were free from defects. 10 CFR, Part 21 applies. ECD is unknown.</p>			
<p>March 31, 1986: Investigation assigned to Matakas. No activity due to higher case load priorities. ECD is September, 1986.</p>			
<p>April 30, 1986: No investigative activity due to higher case load priorities. ECD is September 1986.</p>			
<p>May 31, 1986: No investigative activity due to higher case load priorities. ECD is September 1986.</p>			
<p>June 30, 1986: No investigative activity due to higher case load priorities. ECD is September 1986.</p>			
<p>July 31, 1986: No investigative activity due to higher case load priorities. ECD is September 1986.</p>			
<p>August 31, 1986: No investigative activity due to higher case load priorities. ECD is March 1987. Consideration will be given to reassignment when resources become available.</p>			
<p>September 30, 1986: No investigative activity due to higher case load priorities. ECD is March 1987.</p>			
<p>October 31, 1986: No investigative activity due to higher case load priorities. ECD is March 1987.</p>			
<p>November 30, 1986: No investigative activity due to higher case load priorities. ECD is March 1987.</p>			
<p>December 31, 1986: No investigative activity due to higher case load priorities. ECD is March 1987. <i>W</i></p>			

TO: Victor Stello, Jr.
Acting Executive Director
for Operations

U.S. INFO

FROM: Chester W. White, Director
Office of Investigations Field Office, Region I

MAR 17 AM 10:51

REGION REQUEST NO.: IE-86-02

DATE OF REQUEST: 2/5/86

Licensee/Vendor/Applicant: Telemecanique

Facility or Site Location Westminster, MD 21157

Docket No. 99901011 License No. N/A

CASE INITIATED

CASE NO. 1-86-005

Date Opened 3/3/86

TYPE OF CASE: I

ECD Sept. 1986

Assist (A)
Inquiry (Q)
Investigation (I)

Case Priority High

Normal

Low

CASE NOT INITIATED:

REASON: _____

COMMENTS: September 1986 ECD due to other high priority case commitments.

cc: J. Hunt, OI:HQ
W. Hutchison, OI:HQ
T. Murley, RI

E/3

Phase

FACSIMILE REQUEST

U.S. FRC

Date 3/3/86

MESSAGE TO: Jeanne Hunt - OI
EW/S 434

TELECOPY NUMBER: 492-7142

NUMBER OF PAGES: 2 INCLUDING THIS REQUEST FORM

MESSAGE FROM: Wanda
U.S. F.R.C. REGION I KING OF PRUSSIA, PENNA.

TRANSMITTED BY: _____

DATE & TIME: _____

VERIFIED BY: 492-7246

Case Opening
1-86-005

ELB
Bel...

CASE NUMBER: 1-86-005

DATE PREPARED: 3-11-86

SUBJECT: Telemecanique/Suspected Falsification of Certificates of Conformance for Motor Control Centers Supplied to Various Nuclear Power Stations
INVESTIGATOR: R.A. MATOKAJ

ID NRC VIOLATIONS: 10 CFR PART 21

PROPOSED INTERVIEWS: NRC INSPECTORS ^{FINKSBURG} ~~PERSEHOFF~~ AND NAIDU

from Telemecanique: Roger NELSON, QA SUPER
Mike FENNETEAU, Quality MGR
David TURNBAUGH, Final Elec. Inspector
- DAVID HADGINS, QA ENJ
Joe MEYERS, MFG MGR

Appropriate sources: R. Miller - Train and Station - who did receipt inspections for MCE.

PROPOSED RECORD CHECKS:

POs - Invoices - and receipt inspection documentation relating to MCEs supplied to Millstone 3 and Seabrook

VENIDORS CORRECTIVE ACTION

PROPOSED OBSERVATIONS: photos, surveillance, prints, etc.

DO NOT DISCLOSE

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CHRONOLOGICAL RECORD OF INQUIRY OR INVESTIGATION

CASE NO.: 1-86-005

OPENED: 3/3/86

CLOSED:

SUBJECT: Telemecanique/Suspected Falsification of Certificates of Conformance for Motor Control Centers Supplied to Various Nuclear Power Stations

DATE:	ACTIVITY:
3-11-86	RAM CALLED T. Gilbert... notified he ECD will be late summer due to other HIGH PRIORITY CASE COMMITMENTS.
3-11-86	<p>ELLIS W. MERSCHOFF, VID (492-9045) ^{← SUPERVISOR} CONTACT RE:</p> <p>K.R. NAIDU, VIB (492-8340) ^{← CONTACT} } This INV.</p> <p>GARY ZECH VIB Chief (492-9663) ^{↑ BOSS}</p>
3-17-86	Joe Petrosino, VIB, notified of case opening & ECD
5-5-86	NAIDU in NJ on 5-5-86 per secy
8-31-86	ECD changed to 3/87 due to other case priorities ^{W 8/31/86}
11-24-86	Reviewed w/ FOD... anticipate actively pursuing INV. in Jan 87 ^{W 11/24/86}
2-25-87	Reviewed w/ matakas and active pursuit of investigation to begin Mar 87.

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DATE:	ACTIVITY:
3/2/87	Jel made appointment w/ raiden for interview on 3/4/87. matches to assist w/ investigation
3/4/87	Jel & matches interviewed raiden and obtain some documents relative to allegation.
3/5/87	Arranged w/ Dave Lambert to review documents at Seabrook

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