

January 31, 1991

P137

Mr. Richard A. Lofy
Project Director
Parameter, Inc.
13380 Watertown Plank Rd
Elm Grove, Wisconsin 53122

Re: NRC Contract No. 05-85-157-02
PAR: NRC-157-02

Sir:

SUBJECT: Acceptance of Final Report for Closeout of Bulletin 83-07

We have reviewed the draft final report on this subject that you submitted with your letter dated January 15, 1991. Our comments affect two of the pages of the report, as enclosed. Except for these comments, we accept this document for a final report. You may release the originals to our project manager, Mr. K. Steven West, for publication.

Sincerely,

Original Signed By
Carl H. Berlinger
Carl H. Berlinger, Chief
Generic Communications Branch
Division of Operational Events Assessment
Office of Nuclear Reactor Regulation

Enclosure:
As stated

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ABSTRACT

Documentation is provided in this report for the closeout of IE Bulletin 83-07 regarding apparently fraudulent products sold by Ray Miller, Inc., to nuclear power and fuel facilities. The bulletin and two supplements were issued to all holders of a nuclear power reactor or fuel facility operating license or construction permit. Four actions were required of all affected facilities to provide assurance that fraudulent items are not used in safety-related applications, unless qualified by tests. Review of utility responses and NRC/Region inspection reports shows that the bulletin is closed for all of the 118 power facilities and for ~~both~~ of the ~~two~~ fuel facilities to which it was issued for action. Facilities which were shut down or had construction halted indefinitely or permanently at the time of issuance of this report are not included. It is concluded that all bulletin concerns have been resolved. Background information is supplied in the Introduction and Appendix A.

CLOSEOUT OF IE BULLETIN 83-07:
APPARENTLY FRAUDULENT PRODUCTS
SOLD BY RAY MILLER, INC.

INTRODUCTION

This report provides documentation for the closeout of IE Bulletin 83-07 in accordance with the Statement of Work in Task Order 37 under NRC Contract 05-85-157-02. Documentation is based on records obtained from the NRC Document Control System.

On January 26, 1983, Information Notice (IN) 83-01 was issued by the NRC to inform all owners of nuclear power reactor or fuel facilities that fraudulent products may have been sold to them by Ray Miller, Inc., of Charleston, West Virginia. These fraudulent products included substitute nonconforming or substandard pipe, tubing, fittings, and flanges. The sale of fraudulent material may have ~~been~~ direct to nuclear industry companies, or indirect, e.g. ~~supplied~~ through several tiers of subcontractors. The NRC issued a supplement to IN 83-01 on April 15, 1983, to provide a more comprehensive list of customers that received Ray Miller fraudulent materials during the period 1975 through 1979.

IE Bulletin 83-07 was issued by the NRC on July 22, 1983. This bulletin requested in part that licensees and permit holders: a) determine whether suspect materials had been installed, b) evaluate their safety significance, and c) tag or dispose of suspect materials not yet installed. Supplements 1 and 2 of the bulletin were issued on October 26 and December 9 of 1983, to include additional lists of suppliers of Ray Miller, Inc., materials.

Bulletin 83-07 and Information Notice 83-01 (both presented with their supplements but without their lengthy attachments) are included in Appendix A for presentation of background information and required actions. Evaluation of utility responses and NRC/Region inspection reports is documented in Appendix B as the basis for bulletin closeout. Utility manhours expended on the bulletin are tabulated in Appendix C. Abbreviations used in this report and associated documents are listed in Appendix D.

Additionally, on June 18, 1984, Region I of the NRC issued a letter to all licensees within that region pertaining to Bulletin 83-07. The letter requested that licensees address more specifically one of the actions in the bulletin that sought a broad review of fraudulent materials from all sources. Apparently, Region I is the only one to issue such a request. The responses to the June 18, 1984 letter, where available, have been included herein.