

Indian Point 3
Nuclear Power Plant
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August 17, 1984
IP-WDH-3127

Mr. Stewart D. Ebnetter
Chief, Engineering Programs Branch
Region 1
U. S. Nuclear Regulatory Commission
631 Park Avenue
King of Prussia, Pennsylvania 19406

SUBJECT: I. E. Bulletin No. 83-07
Apparently Fraudulent Products Sold
By Ray Miller, Inc.

- REFERENCES:
1. I. E. Bulletin 83-06, Non-Conforming Materials Supplied by Tube-Line Corp. (dated July 22, 1983)
 2. NYPA Letter, John J. Brons to Dr. Thomas E. Murley, dated November 23, 1983. Serial No. IP-JAS-3722. Subject: I. E. Bulletin 83-06 Investigation.
 3. NYPA Letter, John C. Brons to Dr. Thomas E. Murley, dated March 21, 1984. Serial No. IP-JAS-912. Subject: I. E. Bulletin 83-07 Investigation.
 4. NRC Letter, S. D. Ebnetter to J. C. Brons. Subject as above, dated June 18, 1984.

Dear Mr. Ebnetter:

In the subject bulletin, the NRC requested information concerning fraudulent products that might have been supplied to the plant. The Authority responded to this request in Reference 3. Reference 4 requested additional information concerning Item 4 of the subject bulletin. In response to this request, we are transmitting the response to Item 4 of I&E Bulletin 83-07 below.

The issue of equipment suppliers substituting substandard or non-conforming products and the issue of products being supplied by an unqualified vendor and vendors not performing required treatments and tests (I&E Bulletin 83-06) has been reviewed by the Authority QA Staff. The review has revealed that although there have been

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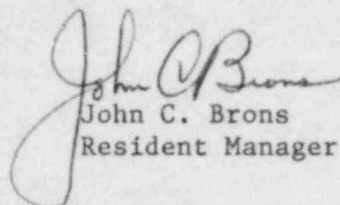
occasions when non-conforming products have been supplied to the site, these instances have been detected during receipt inspection and the non-conformances dispositioned in accordance with the Authority's Quality Assurance Program. The Authority knows of no instances where material suppliers have been fraudulent in supplying products to the plant. The Authority does consider the concerns expressed in I&E Bulletins 83-06 and 83-07 to be extremely serious and has taken the following actions:

1. All Quality Control inspection personnel have reviewed the I&E Bulletins 83-06 and 83-07 and have been instructed, when performing receipt inspection, to include the following as a part of the inspection activity:
 - a. When verifying material markings, inspect products for evidence of markings being altered.
 - b. When reviewing material certifications, look for evidence of certifications having been corrected or altered.
 - c. When examining product markings, certifications, and product form, ensure that material matches what was ordered. Utilize vendor catalogs, technical manuals, and plant drawings as additional guidance to what correct material should be. When examining pipe and fittings utilize a pipefitter's handbook to provide data such as nominal thickness, sizes, etc.
2. The Site Quality Assurance Engineers and the Corporate QA Procurement Support Group have also reviewed both I&E Bulletins 83-06 and 83-07 and have been instructed to be alert during vendor surveys and source inspections to any possible fraudulent practices which may be occurring at vendor's facilities. This instruction has also been extended to Authority Engineering Department personnel who also make numerous vendor visitations.
3. All Quality Control inspection personnel, Quality Assurance Engineering personnel and affected Authority engineering department personnel have been made aware of their responsibility to be alert for any evidence of possible fraudulent practices during receipt inspection, vendor surveys, source inspections and/or vendor visitations.

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The Authority considers the concerns expressed to be significant, however, the results of our review concludes that continued adherence to our existing Quality Assurance Program will provide the necessary methods for early detection of potentially fraudulent or deficient products and does not indicate the necessity for additional corrective actions or the scheduling of same at this time.

Very truly yours,


John C. Brons
Resident Manager

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cc: IP3 Resident Inspectors' Office

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