


USNRC
 United States Nuclear Regulatory Commission
Protecting People and the Environment


RIC 2018
 



U.S. NRC
Office of Investigations

**Counterfeit Parts in Critical Infrastructure,
 Past, Present, and Future**

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U.S. NRC
Office of Investigations

Title 10 of the CFR, Part 1.36, "Office of Investigations"

- Conducts investigations of allegations of wrongdoing
- Maintains current awareness of inquiries and inspections by other NRC offices
- Makes appropriate referrals to the Department of Justice
- Liaise with other agencies and organizations to ensure the timely exchange of information of mutual interest

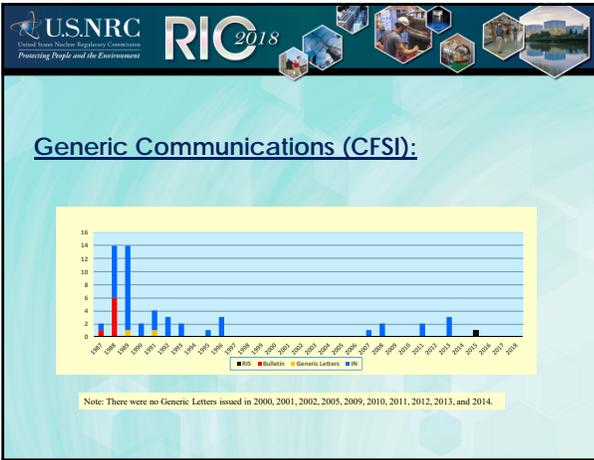

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CFSI Past:

Notable counterfeit, fraudulent, suspect items (CFSI) events from the commercial nuclear industry

- Pentas Controls (2010)
- Vison Tech (2010)
- MVP Micro Inc. (2010)
- Laddish Valves (2007)
- Square D Circuit Breakers (2007)
- Hunt Valves (2006)
- Crane Valves (1991)
- Fasteners (1988)



- ### Recurring themes:
- **Fraudulent test documents and certifications** (substandard or improper materials, poor quality and/or workmanship)
 - **Misrepresenting** refurbished equipment as original (new vs, used, vs. never used, vs. refurbished)
 - **substitution** of non-standard parts
 - No clear **traceability** to the source

Present: [SECY-11-0154](#) (2011)
"An Agencywide Approach to Counterfeit, Fraudulent, and Suspect Items (CFSI),"

19 (agency) actions to assess and enhance CFSI processes!

- **Tech staff committed to** screen CFSI information into the NRC's Operating Experience program and initiate a CFSI Technical Review Group (TRG) to assess, trend and process accordingly
- **OI committed to** promoting information sharing through interagency outreach efforts with appropriate Federal agencies

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Post 9/11 Shift in Threat Resolution:

Resources

Pre-9/11

Identification Response Elimination

Post-9/11

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CFSI Present:



IPR Center welcomes the Nuclear Regulatory Commission as its 21st partner agency (2012)

Liases with other law enforcement agencies to:

- ensure the **timely exchange** of information of mutual interest
- Participate in **PROACTIVE** investigative efforts
- Rapidly **de-conflict** information and evidence

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CFSI Present:

Reputable Organizations
(falsification of records)
Kobe Steel (2017)
Cruet Forge (2015)
KHNP (2012)

Nefarious organizations
Social activists
Organized Crime
(money laundering/human trafficking)
Terrorist cells
Cyber Supply Chain Risk
