

50-322

ALLIED-GENERAL NUCLEAR SERVICES

Post Office Box 847

Barnwell, South Carolina 29812-54

December 14, 1983

J. A. Buckham
President

(803) 259-1711

U. S. Nuclear Regulatory Commission
Region II
101 Marietta Street, N.W., Suite 3100
Atlanta, GA 30303

Attention: James P. O'Reilly, Regional Administrator

Dear Mr. O'Reilly:

Re: I. E. Bulletins No. 83-07 and 83-07, Supplement 1:
"Apparently Fraudulent Products Sold by Ray Miller, Inc."

In accordance with I. E. Bulletin 83-07, Allied-General Nuclear Services (AGNS) submits herein the results of the actions identified as Items 1 through 4 of the Bulletin:

1. AGNS has reviewed the lists, attached to I. E. Bulletins 83-07 and 83-07, Supplement No. 1, of Ray Miller, Inc. customers who received apparently fraudulent materials:

(a) Companies that supplied materials or services to AGNS facilities are:

- . Brighton Corporation, Cincinnati (Sharonville), OH 45241
 - . Daniel Construction Company, Charlotte, NC 28202
 - . Daniel Construction Company, Greenville, SC 29602
 - . Dravo Corporation, Lima, OH 45802
 - . E. I. DuPont and Company, Wilmington, DE 19898
 - . ITT Grinnel Corporation, Chillicothe, OH 45601
 - . Mallinckrodt, Inc., St. Louis, MO 63147
 - . Mauney Piping Supply Company, Charlotte, NC 21203
 - . Miller, Ray, Inc., Decatur, GA 30030
 - . Modern Welding Company, Augusta, GA 30901
 - . Mueller, Paul, Company, Springfield, MO 65801
 - . POE Corporation, Greenville, SC 29602
 - . Richmond Engineering Company, Inc., Richmond, VA 23260
 - . Southwest Stainless of GA, Inc., Norcross, GA 30071
 - . Toole Supply Company, Augusta, GA 30903
 - . Turbodyne Corporation, Wellsville, NY 14895
 - . Wheeling - Pittsburgh Steel Corp., Pittsburgh, PA 15230
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- (b) AGNS has determined that, to the best of its knowledge, the only apparently fraudulent material provided to, and used in, its facilities was that identified by the NRC and supplied by Ray Miller, Inc., Decatur, GA.

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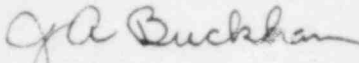
- (c) AGNS has determined that, to the best of its knowledge, none of the apparently fraudulent material has been installed in any safety-related systems covered by the definition given in 10 CFR Part 100, Appendix A, Sections III (c)(1), III (c)(2), and III (c)(3). Additionally, much of such material is still in stock, and has been identified, isolated and tagged.
 - (d) AGNS has not identified any other apparently fraudulent material supplied by Ray Miller, Inc. other than that which the NRC identified in Attachments 1 and 2 to I. E. Bulletin 83-07.
2. As stated in 1.(c) above, the NRC-identified apparently fraudulent materials listed in Attachments 1 and 2 have not been installed in safety-related systems, nor have other instances of either receipt or installation of apparently fraudulent material been identified.
- (a) The NRC-identified apparently fraudulent materials were purchased by AGNS as "commercial-grade" items. Such items are not installed in safety-related structures, systems, or components, and are restricted to general service systems. Consequently, in accordance with normal practice, they are purchased without requiring identifying certifications or laboratory testing.
 - (b) Installed material supplied by Ray Miller, Inc., which later may be identified by AGNS or the NRC program, will be dispositioned according to its effects on the health and safety of the public and on the function of the facility.
3. For all material from Ray Miller, Inc. still in stock:
- (a) AGNS has identified and physically isolated all materials presently in its warehouse as having been purchased from Ray Miller, Inc. AGNS has placed in effect controls which require (1) Quality Assurance approval prior to issue; (2) tagging by Quality Control of the material as Ray Miller, Inc.-supplied; and (3) traceability to the point of installation.
 - (b) For the material included in the fraudulent data file, AGNS will tag or otherwise mark the materials for use only in systems not important to safety.

Mr. James P. O'Reilly

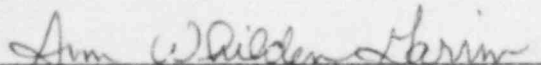
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- (c) For any material supplied by Ray Miller, Inc. that is not included in the fraudulent data file, AGNS will tag or otherwise mark the materials for use only in systems not important to safety.

Sincerely yours,


J. A. Buckham

Subscribed and sworn to
before me this 14th day of December


Notary Public

Commission expires 11/5/86.

JAB/MLR:jr

cc: U. S. Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555