

REPORT OF INTERVIEW  
WITH  
WILLIAM M. STOKLEY

On June 27, 1990, STOKLEY, President, Stokley Enterprises, Inc., was interviewed at his place of business, 880 Avenue J, Norfolk, Virginia, by Nuclear Regulatory Commission Investigators Gary H. Claxton and E. L. Williamson. STOKLEY was interviewed to determine his knowledge of and involvement in the shipment of 22 Potter and Brumfield, Inc. (P&B), motor-driven relays (MDRs) that were sent to the Carolina Power and Light (CP&L) Shearon Harris Nuclear Plant (SHNP). Upon receipt at SHNP, these relays were suspected of being previously used. Subsequent inspection and electrical testing revealed that the relays had been cosmetically changed to appear new and they did not meet the minimum testing requirements to perform their intended function.

STOKLEY said he has been the owner and president of his own company since 1985. He said prior to establishing Stokley Enterprises, he worked for Bay Marine, Inc., Norfolk, Virginia, as a buyer and seller of military surplus materials. He said he had worked for the Newport News Shipbuilding Company, Newport News, Virginia, for 3 years as an electrician. He said he worked 1 year for KWAT Enterprises, Norfolk, Virginia, an electrical supply firm, as a buyer/sales representative for 1 year and was the part owner of B&D Electrics, Norfolk, Virginia, for 5 years. He said B&D was a manufacturer of electrical components. He said he attended Old Dominion University for 1 year. He explained that most of his working life he had been associated with buying and selling surplus electrical components.

STOKLEY said he buys surplus material from all over the country and he was not sure where the 22 MDRs in question had actually come from. He said he had the relays in stock in his warehouse when Peter TOLBERT, President, Spectronics, Inc., Mobile, Alabama, called him to inquire about purchasing some relays. He said that he does a lot of business with Spectronics adding that Spectronics was the P&B authorized distributor for the southeastern United States. He said when he was asked by TOLBERT to send the relays to SHNP, he did not know it was a nuclear power plant. He said if he had known that fact, he would not have sent the relays because he did not deal with components that would be used in a nuclear application. He said because Spectronics wanted the relays as soon as possible, he drop-shipped them via United Parcel Service (UPS) directly to SHNP and billed Spectronics.

He said the relays shipped to SHNP were not new relays but "new surplus." He explained that "new surplus" are components that have not been previously used, but are not factory new. He said that if a customer asks for new components, he will attempt to get new parts, but, he added, he advises the customer that what they are getting is surplus material. He said everyone he deals with knows that he primarily handles surplus materials and that is why they call him.

He said all of the relays he sends out are subjected to continuity checks to determine if the contacts will open and close. He said no electrical testing instrumentation is used and no elaborate testing is performed. He said he

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does some minor refurbishing of relays as well as other electrical components which he sells. He explained that when these components come from surplus, they might be dirty and oxidized, so he or his employees will cosmetically clean up the various components. He said the clean-up usually includes cleaning the exterior with solvent, putting new paint on the hold-down nuts, cleaning and replacing contacts if necessary, and subjecting the relays to electrical continuity testing. He said nothing internally is altered, and only cosmetic improvements are made. He said the manufacturer's labels/name plates are never changed or altered in any way.

STOKLEY stated if the component did not meet his standards, i.e., the contacts would not open, he would throw the part away or cannibalize the unit and use parts from it for another unit. He said since he deals primarily in surplus, most of his purchases come from the Navy and the Navy is also one of his larger customers. He said most of the parts he deals with, including relays, motor controls, switches, and circuit breakers, are sold back to the Navy to be used on ships. He said that even though his inventory is maintained in his head, he does maintain records, identifying what each customer purchases. He said all of his customers know that he deals in surplus, and when ordering, they do not specify what application the part will be used for.

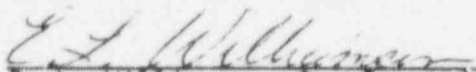
STOKLEY stated that in early June 1990, he received a call from TOLBERT inquiring where he (STOKLEY) had gotten the relays which had been sent to SHNP. STOKLEY said he told TOLBERT he had gotten them from surplus. STOKLEY said TOLBERT related that someone from SHNP had called P&B complaining about the relays. He said SHNP had tested the relays and they did not meet their acceptance standards and SHNP personnel inquired as to where he had gotten the components. TOLBERT also told him (STOKLEY) that these 22 relays would probably be coming back to him for credit. STOKLEY said he has since had other conversations with TOLBERT but not about these specific relays.

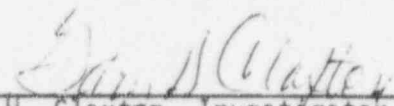
STOKLEY said he sent the MDRs to SHNP on May 30, 1990, and he provided the invoice, purchase order, and UPS documentation for the shipment. He said, in the past, he has sold P&B relays to Spectronics and has also purchased new relays from Spectronics for sale to other customers.

STOKLEY did not provide any additional information at this time. The substantive portion of the interview was concluded and STOKLEY gave verbal approval for the Office of Investigations to review his records and observe his storage and work areas.

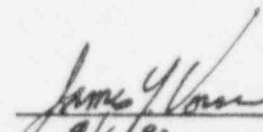
INVESTIGATOR'S NOTE: During the interview STOKLEY was extremely nervous and appeared to be evasive in his responses. Because he appeared to be less than honest and forthright during the interview, it was decided to limit the interview and concentrate on reviewing the records that he had voluntarily made available to prevent possible destruction of records pertinent to this interview.

This Report of Interview was prepared on July 26, 1990.

  
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E. L. Williamson, Sr. Investigator  
Office of Investigations  
Field Office, Region II

  
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Gary H. Claxton, Investigator  
Office of Investigations  
Field Office, Region II

Reviewed by:  
Date:

  
\_\_\_\_\_  
9/6/90

PLACE: Norfolk, Virginia  
DATE/TIME: June 28, 1990 1:51pm

I, Walter C. Little, do hereby make the following voluntary statement to Guy Clapton who has identified himself to me as an Investigator with the United States Nuclear Regulatory Commission. I do hereby make this voluntary statement without any threats having been made against me or any promises extended to me.

I am currently employed at Stokley Enterprises, Inc. as an inspector for sales. This involves going to the Norfolk Navy Base where I inspect electronic goods which are being offered for sale as surplus by the Navy. These goods are in large boxes which I inspect to see if there are any items which Stokley Enterprises can use for resale. I have been employed Guy Stokley since August 1986. I started my employment as a shipping and packing clerk and as a runaround, doing errands. Prior to working at Stokley, I was employed by a lawn maintenance company and prior to that I worked for a fast food restaurant. I do not have any electronic or technical training except what experience I have gained at Stokley.

My present duties at Stokley involve going to the Norfolk Navy Base usually one or more times per week for sales inspections. I usually go for inspection on Tuesdays and/or Wednesdays for inspections in anticipation of the sales held on Thursdays.

When we make a purchase the goods are contained in a large cardboard box called a tri-wall. I go through the items and pick out those components that are usable. Other employees also assist in breaking down the boxes. Once the items are





the old plates are scratched, dirty or missing, when I decide that a new plate is needed I tell Sheila and she orders what we need from VAMP. We do not keep any tags in stock. The tags normally take 2 to 3 days to receive unless we request a rush. I have never replaced any paper labels but only the metallic type labels.

Occasionally I am asked to replace the tags on Potter and Brumfield MDR's which are sent to us by Spectronics, Inc. These MDR's are retagged as requested and then returned to Spectronics. I suspect that Spectronics has Stokley change the tags because they do not have a shop. The tags identify the same MDR but utilize different numbers. I don't think Spectronics deals in surplus products but they (Spectronics) knows that Stokley deals almost exclusively in new surplus. I believe new surplus would be products that haven't been used and have been stored for a period of time before being sold.

I have only recently begun to do a small amount of sales at Stokley. It is my understanding that all of our customers understand that we deal in new surplus products. I personally have never sold surplus products as new and to my knowledge neither has Bill Stokley or the general manager Denay Jones. I am not aware of any customer returning a product because they thought it was new when in fact it wasn't.

Normally when I clean up electrical parts for delivery I do not know where they are going. I did not realize we were shipping MDR's to a nuclear

plant. I filled in the United Parcel Service (UPS) log book while Sheila packaged the relays. I don't remember what all I did to clean the relays we sent to Carolina Power and Light. I do remember we re-tagged all of the MDR's. I don't remember why we re-tagged the MDR's. I was probably told to do so by Bill Stebbins. I did not have any conversation with anyone at Spectronics about the MDR's.

I found out the relays went to a nuclear plant when someone from Spectronics called Bill Stebbins and advised him there was a problem. Bill told me the relays went to a nuclear plant and he was quite upset. I don't recall Bill's exact words but he was upset that the relays had gone into a nuclear plant.

I assume the relays came off the shelf in the warehouse. They were on my desk when I was told to clean them up. They appeared to be surplus and definitely not new. I recall putting paint on the lock down nuts and cleaned the contacts.

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I have read the foregoing statement consisting of 5 handwritten/typed pages. I have made and initialed any necessary corrections and have signed my name in ink in the margin of each page. I swear that the foregoing statement is true and correct. Signed on 6-28-90 at Stafford County, Norfolk, Va.

SIGNATURE: Mary S. Hottel  
NAME

Subscribed and sworn to before me this 28<sup>th</sup> day of June, 1990

at Norfolk, Virginia  
INVESTIGATOR: Raymond C. Hutton

WITNESS: E. J. Williams  
NAME/TITLE



MEMORANDUM  
OF CALL

Previous editions usable

TO:

☐ YOU WERE CALLED BY- ☐ YOU WERE VISITED BY-

OF (Organization)

☐ LEASE PHONE ☐ FTS ☐ OVON

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU  
☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

*With best  
Compliments  
Advance copies  
from Steady  
Your copies from 2 "01  
will follow I thought that this  
will be informative*

RECEIVED BY

DATE

TIME

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