

# Alert

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## Turbine Rotors Worldwide May Be Victims of Forged Inspection Data

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Japan Steel Works (JSW) is one of the largest manufacturers of power generation equipment parts, including rotor shafts for turbines and retaining rings that fasten the coils of generators. The company supplies these components to numerous turbine and generator manufacturers. Large rotor shafts for high-output power plants contribute to the world's power generation needs. Rotor shafts used in power plant turbines need to withstand extremely severe operating conditions with high levels of temperature, pressure, and rotation. As power generation capacity increases, larger shafts are required. JSW has one of the largest production facilities in the world and is one of only a few facilities capable of forging the world's largest-sized rotors. Their rotors and retaining rings are therefore found in power generation facilities worldwide.



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#### Related Practice Areas

- Subrogation & Recovery

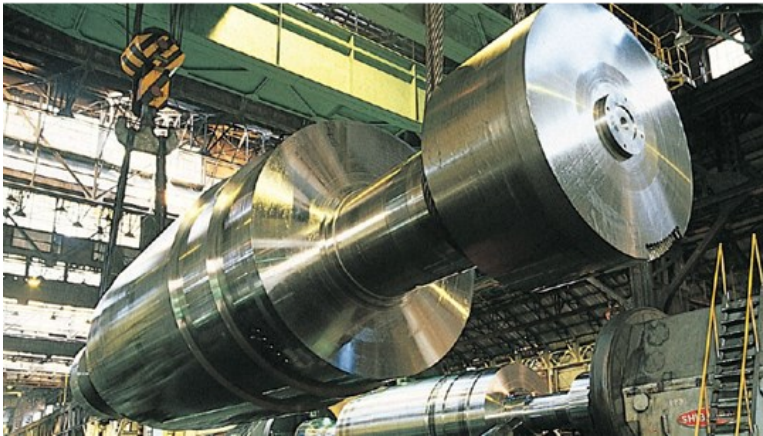


Photo source: Japan Steel Works M&E, Inc.

In February of 2022, a whistleblower exposed that JSW had been faking the inspection data on these components for 24 years, from April 2002 to February 2022. During inspections, if a component failed to meet standards, JSW would fake the data so that the product would pass. It also altered or omitted some of the measuring procedures to avoid delays in product delivery.

- JSW acknowledged the falsified data in a [press release](#) on May 9, 2022. JSW has admitted that its products in issue have been shipped for use at power plants, but it has not yet disclosed the names of the facilities or the number of products affected, saying that this is still in the confirmation process.
- JSW says it plans to publish the findings of an in-house investigation at the end of October 2022, after it sets up a committee of lawyers.

Needless to say, the fact that for the past 24 years, turbine/generator rotors and retaining rings that have failed to meet inspection standards have been incorporated into the turbines and generators of numerous equipment manufacturers and are presently operating in power plants worldwide, poses serious implications and potential risks for all power generation facilities, and their insurers. Recovery specialists, adjusters, engineers, and underwriters who are involved in assessing

property losses involving turbines and generators should be aware of this issue.

Online Japanese media reports (in English) can be accessed here:

- <https://www.asahi.com/ajw/articles/14617459>
  - <https://japannews.yomiuri.co.jp/business/companies/20220507-26257/>
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