



Division of
Warnock Hersey Professional Services Ltd

MACDONALD INSPECTION

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OY WPM 8078 V3K 4X1

U R G E N T B U L L E T I N *****

October 23, 1990

ATTENTION: B.C. BUILDING INSPECTORS ASSOCIATION
INTERNATIONAL CONFERENCE OF BUILDING OFFICIALS
AMERICAN LUMBER STANDARDS COMMITTEE
CANADIAN LUMBER STANDARDS ACCREDITATION BOARD

Dear Sirs:

Please find enclosed a copy of Macdonald Inspection registered grade stamps that may have been used fraudulently on lumber that may have been shipped in your area.

We would appreciate if you could give this information the widest possible distribution to alert as many concerned individuals as possible.

Some characteristics to look for in the suspect lumber are as follows:

- 2 x 8, 2 x 10, 12', 14', 16' Hem-Fir-N
- 2 x 4 S-P-F Stud stamped Hem-Fir-N
- 2 x 4 Utility Hem-Fir-N

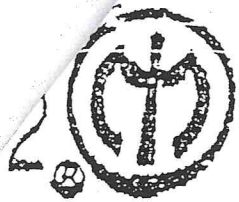
If any suspect lumber should be noted in your area, we would appreciate being notified as soon as possible.

Yours truly,

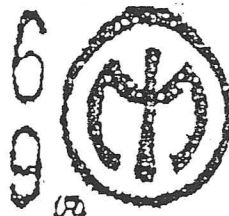
MACDONALD INSPECTION

David Reekie
Operations Manager

JMJ
DR/bml
Encl.



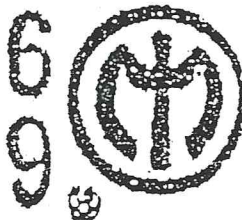
No 2
S-DRY
HEM-FIR-N



No 2
S-DRY
HEM-FIR-N



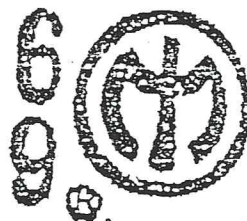
STUD
S-DRY
HEM-FIR-N



STUD
S-DRY
HEM-FIR-N



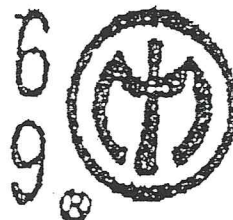
STUD
S-DRY
S-P-F



STUD
S-DRY
S-P-F



UTIL
S-DRY
HEM-FIR-N



UTIL
S-DRY
HEM-FIR-N

55-65

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GEORGE NICKERSON
Inspector

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AMERICAN LUMBER STANDARDS
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Hunt is on for more faulty lumber as officials try to identify the culprit

by Ron Judd, Tim Healy and Jack Broom
Times staff reporters

■ How to spot faulty lumber and what to do about it, A 15.

A handful of private construction projects in King County remained shut down today as building officials around the Northwest scrambled to check new structures for low-grade Canadian lumber marked as structurally sound.

The inferior lumber, supplied by a Surrey, B.C., wholesaler, has been discovered in more than 60 separate buildings at 12 construction sites in unincorporated areas of King County and about 25 sites in the county as a whole, said Mike Dykeman, commercial-inspections supervisor for King County Building and Land Development.

"We immediately stopped work on all of those projects in our jurisdiction," he said. "We believe we have identified all the buildings" containing the suspect lumber.

But the number of affected projects could grow as

contractors, lumber suppliers and building inspectors check records of projects started since August, when the boards bearing phony grades are believed to have reached this area.

"This is the biggest piece of fraud I've seen in my 20 years in the business," said Bruce Moe, a partner in Titan Construction Corp. in Redmond. "It just blows me away."

Titan's Klahanie Apartments east of Lake Sammamish was one of the dozen sites where misgraded lumber was delivered and traced. Moe estimated Titan would spend between \$100,000 and \$150,000 to go back over the project and check

Please see **LUMBER** on A 15

Hunt on for faulty wood

LUMBER

continued from Page 1

for misgraded lumber.

While the bulk of the timber appears to have been delivered directly to apartment-complex projects in the Puget Sound area, small amounts have turned up at apartment projects in Eastern Washington and the Portland area, Dykeman said.

Building inspectors in Snohomish County said they'd uncovered at least one project with the suspect lumber. Inspectors in Seattle and Pierce County said they're still trying to determine if the lumber was used in any construction projects there. Kitsap County building officials said that area appears to be free of the Canadian lumber.

A relatively small amount of the wood — primarily inferior-grade studs relabeled as structure-grade — made its way into the local retail lumber market, Dykeman said. Officials don't know whether individual buyers bought small quantities off-the-shelf before warnings were issued.

Inspectors this week found a "few pieces" of suspect lumber in single-family residences still under construction, Dykeman said, but very little is believed to have been used outside larger projects.

It is believed that all unsold lumber bearing the suspect grade mark — MacDonald Inspection Services of Coquitlam, B.C. — has been shipped back to its supplier, B.B.M. Lakeview Ltd., of Surrey.

MacDonald Inspection officials said they authorize numerous British Columbia lumber mills to use their grade mark, which gives a numerical rating indicating a board's ability to bear weight. Company officials last week discovered inferior boards whose grade marks had been sanded off and replaced with structure-grade marks. Structure-grade wood products command up to five times the price of lesser-grade woods.

MacDonald officials are awaiting results of a Royal Canadian Mounted Police investigation to determine who altered the grade marks, how much phony lumber was shipped and where it's being used.

Of the 12 projects identified in unincorporated King County, three had what Dykeman called "very small amounts" of the material. "They immediately took corrective action and we allowed them to continue," he said.

Work was stopped eight apartment complexes and an athletic-club project. At those sites questionable material is being reggraded and, if necessary, replaced or reinforced, Dykeman said.

That work is being done by county inspectors and a representative from the American Lumber Standards Committee, he said, "so we had double coverage on the grading."

Not all the misgraded material needs to be replaced, Dykeman said. For example, the lower-grade wood is often sufficient for use as studs inside building walls.

For load-bearing floor joists and roof supports, the determining factor may be how great the span is between supports. In many cases, the inferior wood will have to be doubled up with joists or supports to increase the structural strength. One contractor was required to replace 80 percent of floor joists in an apartment build-

ing, said Tom McDonald, another county building official.

In the Klahanie Apartments project, Moe said Titan must check about 150 joists in each of about 80 units under construction. He said the company probably would add high-grade joists when it finds the misgraded pieces. Eventually, he said, the company will build 354 apartment units in 27 buildings in the project.

The amount of misgraded lumber has varied greatly from one truckload to another, Moe said. In some loads, 98 percent of the lumber was misgraded; in others, only 2 percent was misgraded.

Despite the extent of the problem, Dykeman believes the public should feel confident that construction that is allowed to proceed will be safe.

"We are requiring 100 percent compliance with the code," he said. "From the building's we've seen, there is no imminent structural danger."

If the lumber was used in apartment flooring, for example, the only noticeable effect might be that the floor was "a little bouncier than allowed by code," he said.

But all multi-family construction projects begun since August have been inspected and either judged sound or ordered to be repaired, he said. None of the buildings was occupied.

How do building officials know lumber with phony grades wasn't used in completed single-family dwellings?

"We don't," Dykeman said. But, he added, it's unlikely many of the boards made their way into single-family residential or home-remodeling projects.

"From the pattern," he said, "if there was any used in single-family construction, it wouldn't be a significant problem. We're not aware of a whole truckload that's been delivered to build an entire house."

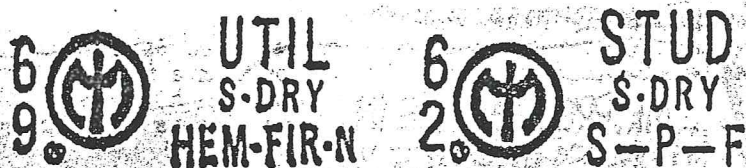
crossed that that continues to be the case."

The county has no plans to inspect completed buildings for the bad wood — unless it receives information from a contractor or the wood supplier that wood with the phony labels might have been used, Dykeman said. The county has checked every building listed on delivery records from MacDonald Inspections. It's unclear whether more records will be forthcoming, he said.

Dykeman said individual contractors are not liable for the problem, and have been willing to correct it. "They have all been victims of this as well as everybody else," he said.

McDonald said none of the lumber with phony marks was detected in routine inspections during initial construction.

"We're very lucky we discovered this when we did," Dykeman said, adding that frames in most of the buildings were about to be covered.



These are stamps on boards with phony grading. Look for a circular "MI" logo and the mill numbers 62 or 69. However, not all boards with those marks have been found to be inferior.

Detecting faulty lumber

King County home remodelers or new-home buyers have little reason to worry that faulty Canadian lumber was used in their projects, building officials say.

Although a few suspect boards have been found in single-family homes under construction, most of the lumber was shipped to large apartment projects directly from a British Columbia wholesaler, building inspectors say.

And casual buyers needn't worry about purchasing faulty boards, they say. All lumber shipped from B.B.M. Lakeview Ltd. of Surrey, B.C., — the wholesaler that shipped mismarked boards beginning in August — has been returned by local dealers, says Mike Dykeman, a King County inspection supervisor.

Boards with phony grading all are marked with a stamp from MacDonald Inspection Services (it bears a circular "MI") and are distinguished by the mill number 62 or 69 on one side of the grade mark.

However, not all boards bearing those marks have been found to be inferior, inspectors say.

"Basically, you could tell by looking at it whether to use it," Dykeman says — boards that appear twisted or full of knots never should be used in structural positions. But even mismarked wood can be used for other purposes, such as studs inside building walls.

Inspectors advise anyone with questions about lumber bearing the MacDonald Inspection mark to contact their local city or county building department. In King County, the number is **296-6615**.

The lumber pipeline: a tried and true route

Misgraded lumber from Canada apparently ended up at construction sites in King and Snohomish counties through time-tested distribution channels.

Mills process raw logs into lumber. As the lumber is coming out of the mill, trained graders eyeball it and assign a grade based on quality. For example, a piece with several knots would be graded lower than a clear board or joist.

King County building codes say low-grade lumber cannot be used in construction where the wood will be under great stress, such as in joists that will support a floor or ceiling.

In the current fraud, poor-quality lumber was assigned an artificially high grade and used where codes require high-quality lumber.

High-quality, construction-grade lumber is sold by the mill, directly or through brokers, to suppliers such as Henry Bacon Building Materials Inc., Olympic Forest Products Inc. or Woodinville Lumber Inc.

Once suppliers buy the lumber, it can go directly to large apartment construction projects or to retail outlets. When the lumber goes directly to job sites, a supplier may actually never take possession of it.

Low-grade lumber coming off a mill is often sold to remanufacturers, who try to upgrade it — take the knots out, for example.

Low-grade lumber that can't be remanufactured is often made into crates or slats. Low-grade lumber is often a quarter the cost of higher-grade lumber used in construction.