



# FRIDAY MAILING

6/27/97

## INCLUDED IN THIS MAILING ARE:

- Announcements
- Newsclippings

## ANNOUNCEMENTS:

- EFFICIENCY COMMITTEE MEETING:** The inaugural meeting of this new Task Force committee will take place on Monday, July 7, 1997, at the Uno Building from 7:00 p.m to 9:00 p.m. Briefings will include presentations on federal budgeting, the FEMP baseline, and optimization efforts associated with the baseline. The committee will have an opportunity to develop a problem statement and begin a work plan to address it.
- RECYCLING METHODOLOGY PUBLIC WORKSHOP:** The final installment in the series of recycling workshops will take place on Tuesday, July 8, 1997, at the Alpha Building, Classroom B. This meeting will respond to stakeholder input on the Draft Final Recycling Methodology, recently made available for public comment.
- TASK FORCE MEETING:** The next full Task Force Meeting will be held on Wednesday, July 9, 1997, at 6:00 p.m. in the Alpha Building.
- PUBLIC INVOLVEMENT WORKSHOP:** DOE-FEMP will hold this workshop in response to requests from stakeholders, and will discuss what is envisioned for public involvement in the future, as well as answering questions and obtaining input from the attendees. The meeting will take place **Monday, July 14, 1997**, at the Alpha Building.
- WASTE MANAGEMENT COMMITTEE TRIP:** The Waste Management Committee will take a day-trip to Brookhaven National Laboratories in Upton, New York, on Wednesday, July 16, 1997, to look at current research on micro-encapsulation processes.

## QUESTIONS:

Please call John at [redacted] or Doug at [redacted] with questions or concerns. You may also fax or e-mail us at:

John	FAX: 281-3331	E-MAIL: john.applegate@law.uc.edu
Doug	FAX: 648-3629	E-MAIL: [redacted]



## FRIDAY MAILING

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### ANNOUNCEMENTS (Continued):

- ❑ **ACCELERATED CLEANUP PLAN VIDEOCONFERENCE:** On Tuesday, July 22, 1997, there will be a videoconference between Al Alm and stakeholders to discuss the recently released ACP discussion draft. This will take place in the Health and Safety Building, Room 111, from 7:00 p.m. to 9:00 p.m.
- ❑ **FRESH MEETING:** The regularly scheduled FRESH meeting will take place on Thursday, July 24, 1997, at Venice Presbyterian Church on Layhigh Road in Ross. The meeting will begin at 7:30 p.m. and is open to the public.
- ❑ **SILO 3 PUBLIC WORKSHOP:** There will be a Silo 3 Public Workshop at the Alpha Building on Tuesday, July 29, 1997. This meeting will take place from 7:00 p.m. to 9:00 p.m. The tentative agenda involves presenting further data to the public. It also will address responding to request for deliverables made during the Silo 3 Workshop on June 16th in an effort to continue narrowing the technology option to be presented in the Silo 3 Explanation of Significant Difference (ESD).
- ❑ **COMMUNITY REUSE ORGANIZATION:** There will **not** be a CRO meeting in the month of July. Individual committees will meet, but the regularly scheduled full CRO Board will not meet again until August. In addition, please note that the new CRO message line (648-4168) has recordings of the latest news and changes in CRO meetings. If you have any questions, you can also leave a voice message, and someone associated with CRO will return your call.

### QUESTIONS:

Please call John at [REDACTED] or Doug at [REDACTED] with questions or concerns. You may also fax or e-mail us at:

John      FAX: 281-3331      E-MAIL: john.applegate@law.uc.edu  
Doug      FAX: 648-3629      E-MAIL: [REDACTED]

June 14, 1997  
Cincinnati Enquirer

Metro, B7

"DOE: Fernald clean-up won't finish by deadline"  
Reporter: Tom Bonfield

# DOE: Fernald clean-up won't finish by deadline

BY TOM BONFIELD  
The Cincinnati Enquirer

With \$6 billion a year, the U.S. Department of Energy (DOE) predicts it can clean up most radioactive waste at most of the nation's nuclear weapons sites by 2006.

But no matter how much money Congress throws in, clean-up at Fernald will not be fully complete by that deadline, DOE officials said Friday.

In fact, under the latest recommended plan, treating radioactive sludge in the K-65 silos — the most dangerous waste at Fernald —

won't even start until 2006.

On Thursday, Al Alm, DOE assistant secretary for environmental management, presented a plan that calls for "substantially" completing clean-up efforts at seven nuclear waste sites in Ohio, plus the Rocky Flats site near Denver, and the Nevada Test Site by 2006.

But if funding is limited to \$5.5 billion a year, none of the deadlines would be met, Mr. Alm said.

With full funding, the DOE plans call for removing all nuclear materials from Fernald by 1999 and completing all groundwater treatment by 2005. Those assumptions were

based on data from 1995, and are no longer valid, said Ken Morgan, spokesman for DOE's Ohio field office.

The biggest change has been failure of a pilot vitrification plant to test whether radium-laced waste in the silos could be melted into glass-like beads before shipping off-site.

After an *Enquirer* investigation last year, the DOE acknowledged the vitrification project has fallen far behind schedule.

DOE officials still support vitrification, but they intend to hand the job to a new contractor. According to an independent review team re-

port in April the soonest vitrification could begin is 2006, with completion in 2011.

If officials opt to encase the waste in cement, the job could start in 2003 and be complete by 2008.

Except for silo clean-up, Fernald has made significant progress in clean-up. Demolition of plant buildings, soil excavation and shipment of other stored wastes at Fernald may be complete by 1999.

Groundwater treatment is moving ahead of predictions for 2015 completion, but may not meet the 2005 deadline presented to Congress, Mr. Morgan said.

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June 20, 1997  
Cincinnati Post  
Local, 12A  
"Fernald cleanup firm agrees to pay \$8.4 million"  
Author: Staff and wire reports

# Fernald cleanup firm agrees to pay \$8.4 million

## Whistleblower to get big chunk

From staff and wire reports

The company hired by the U.S. Department of Energy to clean up the heavily polluted Fernald uranium processing plant will pay \$8.4 million to settle a federal whistleblower lawsuit.

Fluor Daniel Fernald said Thursday it would settle the suit accusing the company of bilking taxpayers out of more than \$92 million.

The settlement is the largest for a whistleblower case litigated by a private lawyer and not the U.S. Justice Department, said Justice Department officials.

Fluor Daniel Fernald, a subsidiary of Fluor Corp., has charged the government more

than \$1 billion since it was awarded the five-year, \$2.5 billion contract in 1992 to manage the cleanup at the site 18 miles northwest of Cincinnati.

The company said it agreed to pay \$3.7 million for apparent violations, including \$2.6 million to the government; \$1.7 million in attorney fees; and \$3 million to the former company engineer, William Watt, who filed the lawsuit against Fluor Daniel Fernald. Watt, 59, resigned from Fluor Daniel Fernald in January 1995 over company practices.

U.S. District Judge S. Arthur Spiegel approved the settlement Thursday.

"This finally brings an end to a very disturbing attack on the integrity of our operations," said John Bradburne, president of Fluor Daniel Fernald.

"We have vigorously investigated these claims, found no wrongdoing and spent nearly \$2

### The case against Fluor Daniel

Major accusations against Fluor Daniel Fernald include:

- Charging materials, labor, design work and administrative expenses to the government.
- Submitting false claims for millions of dollars for firms working with Fluor Corp., the parent company of Fluor Daniel Fernald, to obtain the cleanup contract.
- Charging the government for unapproved or unallowed expenses.
- Preparing a cleanup plan in 1993 filled with false data.
- Retaliating against William Watt, a former company engineer, because he spoke out against company practices.

million in our defense. In this process, we succeeded in defeating half the original claims and strongly believe those remaining have no merit."

Bradburne said the company chose to settle the remaining claims because the suit was becoming so costly and had become "a distraction to the company's principal mission, namely

the safe cleanup of the Fernald site."

The plant processed uranium for the government's production of nuclear weapons from 1951 until July 1989.

Watt, now of Augusta, Ga., filed a federal False Claims Act and retaliation lawsuit Dec. 6, 1993. He accused the company of committing fraud between 1993

and 1995 by creating phony financial and performance reports.

He said the company charged materials, design work, labor and administrative costs to unauthorized government control and charge accounts.

And he said the company submitted false claims for millions of dollars on behalf of companies that teamed with Fluor Corp. to obtain the Fernald contract.

"Bill Watt feels that the settlement vindicates his charges brought against Fluor on his own behalf and on behalf of U.S. taxpayers," Watts' attorneys said in a statement released Thursday night.

Had the whistleblower case gone to trial under the federal False Claims Act, Fluor Daniel Fernald officials could have been ordered to pay triple damages — \$276.6 million.

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June 21, 1997  
Cincinnati Enquirer  
Opinion, A12

"Fernald  
Time to clean up the clean-up"  
Reporter:

843

# Fernald

## Time to clean up the clean-up

It's time for Ohio's Congressmen to step up and find a fix for the incessant management problems of the clean-up at Fernald. Congressional hearings — avoided during a recent GAO audit — are needed now to determine the fitness of the contractor to handle any part of the multi-billion dollar job and of the Department of Energy to monitor it.

Fluor Daniel Fernald, the contractor that taxpayers are paying to clean up the nuclear contaminated site in northwest Hamilton County, has been warned numerous times by DOE about safety and financial mismanagement problems. In 1993-94, Fluor officials came under fire from a Congressional oversight committee, but continued to rack up violations in 1995 and 1996.

For the last 16 months, *The Enquirer* has revealed financial mismanagement by Fluor, lack of government oversight and other problems in the cleanup. As a result, the U.S. Government Accounting Office (GAO), at the request of local Congressmen, investigated. The audit was limited in scope, but in May, the Energy Department stripped Fluor of an important part of the project, citing findings of the GAO that confirmed *The Enquirer* reports.

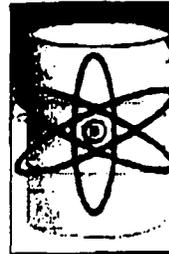
Fluor kept the overall contract and continues to win others from DOE.

This week, the Teflon-contractor dodged another bullet. Fluor Daniel Fernald agreed to pay \$8.4 million to settle a federal whistleblower lawsuit that alleged the company bilked taxpayers out of more than \$92 million in the cleanup of Fernald.

Whistleblower William Watt of Augusta, Ga., former Fluor Daniel Fernald project control engineer, filed a federal lawsuit in 1993. He claimed the company "committed fraud" from 1992-95 through phony financial and performance reports and retaliated

against him because he spoke out and tried to stop the "abuses." He resigned in January 1995.

If the case had gone to trial, Fluor Daniel Fernald officials risked paying triple damages of \$276.6 million, if found liable. In signing the agreement, the company admitted no wrongdoing at Fernald. According to a company press release, Fluor settled because the lawsuit was too costly and distracting to litigate and because of adverse publicity.



Meanwhile, Fluor's three-year contract extension at Fernald, recommended by Ohio DOE officials, is on Energy Secretary Federico Pena's desk to be signed any day.

Fluor's Fernald operation, according to DOE, is intended to be the model for clean-ups at other U.S. nuclear sites. Last year, DOE gave Fluor a \$5.5 billion contract to clean up Hanford nuclear site in Washington state. If Fernald's the model, this could make other government waste tales look like nursery rhymes.

But the story gets worse. During the whistleblower settlement talks, a DOE lawyer told Judge S. Arthur Spiegel that it would be virtually impossible for the department to know whether Fluor or its partners would try to recover the \$8.4 million from taxpayers by incrementally billing the cost back to the DOE through various invoices.

So if the Energy Department admittedly can't provide oversight enough to protect tax money, then somebody else should. And Ohio Representatives Rob Portman and Steve Chabot and Senators John Glenn and Mike DeWine ought to ask who. They should question, too, the fitness of Fluor Daniel to continue at Fernald or participate in any other federal projects, until there is reliable scrutiny.

June 21, 1997

Cincinnati Enquirer

Metro, B9

*"Job program to aid nuclear facility workers threatened"*

Reporter: Paul Barton, Enquirer Washington Bureau

## Job program to aid nuclear facility workers threatened

### Fernald employees receive benefits

BY PAUL BARTON

Enquirer Washington Bureau

WASHINGTON — A federal program designed to provide hiring preferences and job assistance to longtime workers at Fernald and other former nuclear weapons sites is under attack in the House, with key action set for next week.

Members of the military procurement subcommittee of the House National Security Committee have moved to strike a program known as Section 3161 of the National Defense Authorization Act.

The program provides hiring preferences to longtime workers at nuclear weapons sites as cleanup work is contracted out.

For those who don't have the skills to fill cleanup jobs and can't be retrained, the program provides severance and job search help, among other benefits.

It is also designed to help community economic development efforts so that areas can generate jobs for former weapons plant workers.

Sen. John Glenn, D-Ohio, played a leading role in passing the program in 1992, which covers more than 1,900 workers at Fernald and 108,000 nationwide.

Republicans in Congress, led by Rep. Duncan Hunter of California, the subcommittee chairman, have questioned the program's costs because workers given severance

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*'We've got some concerns about the administration of the program. Our concern would be that the program needs to be making best use of taxpayer dollars.'*

— Brian Besanceney

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benefits have sometimes been hired back at different plants.

Supporters of the program, led by Rep. Tony Hall, D-Ohio, are trying to get the defense bill amended to call for a study of the program instead of elimination.

The Clinton administration has also said it opposes elimination.

A vote on the House floor is expected next week.

"We should never forget the DOE workers who helped us win the Cold War," Mr. Glenn said Friday.

Rep. Rob Portman, R-Terrace Park, would support a review of the program but not elimination, his office said Friday.

"We've got some concerns about the administration of the program," said Brian Besanceney, Mr. Portman's press secretary.

"Our concern would be that the program needs to be making best use of taxpayer dollars."

June 21, 1997

Journal News

Local A3

"Taxpayers won't get Fernald bill"

Reporter: Associated Press

# Taxpayers won't get Fernald bill

## Government says public does not have to pay \$8.4 million settlement cost

The Associated Press

CINCINNATI

Taxpayers will not pay an \$8.4 million whistle-blower settlement for the company managing the cleanup of the former Fernald uranium plant.

The settlement is between Fluor Daniel Fernald and its former employee William Watt, said the U.S. Department of Energy, owner of the Fernald site.

Watt, a former Fairfield resident and project control engineer, charged in a 1993 lawsuit that the company committed fraud by creating phony financial and performance reports.

Fluor Daniel Fernald continues to deny wrongdoing.

"DOE is not a party to this agreement, and costs associated with it would not be chargeable to the government," Energy Department spokesman Ken Morgan said in a written statement Friday.

He said Fluor Daniel agrees in the settlement not to charge the government for costs associated with the case.

The company said it agreed to pay \$3.7 million for alleged violations, including \$2.6 million to the government; \$1.7 million in attorney fees; and \$3 million to Watt, 59, who now lives in Augusta, Ga.

Tricia Thompson, a spokeswoman for Fluor Daniel Fernald, said the company will not ask to be reimbursed for any of the cost.

"We won't ask, they won't reimburse ... It will never happen," Thompson said.

Fluor Daniel Fernald said Thursday it reached the settlement to avoid the mounting costs of fighting the suit and the resulting bad publicity.

Had the case gone to trial under the federal False Claims Act, Fluor Daniel Fernald officials could have been ordered to pay triple damages — up to \$276.6 million — if found liable.

The company's parent, Fluor Corp., Irvine, Calif., said the settlement would not affect its finances and would be shared by Fluor's project partners.

Watt had accused the company of submitting false claims for millions of dollars on behalf of companies that teamed with Fluor Corp. to obtain the Fernald contract.

**The Department of Energy 'is not a party to this agreement, and costs associated with it would not be chargeable to the government.'**

Ken Morgan  
Energy Department spokesman

1992. He said the company charged materials, design work, labor and administrative costs to unauthorized government control and charge accounts.

An audit completed this year by the General Accounting Office, Congress' investigative arm, cleared Fluor Daniel Fernald of several of Watts' allegations, company President John Bradburne said.

U.S. District Judge S. Arthur Spiegel approved the settlement Thursday night after lawyers for Fluor Daniel Fernald, the U.S. Justice Department and Watt signed it.

June 24, 1997

Journal News

Local A3

"State approves funds to renew Fernald contract"

Reporter: Janet Tebben, Thomas News Service

# State approves funds to renew Fernald contract

By Janet Tebben  
Thomas News Service  
COLUMBUS

Cleanup efforts at the former Fernald uranium processing plant appear to be on schedule for completion in 2005, U.S. Department of Energy spokesman Gary Stegner said Monday.

A state-spending oversight panel Monday approved \$400,000 to renew a two-year contract with HCI GeoTrans, the company hired to perform ground-water contamination testing at Fernald.

The company's services will be needed for at least two more years, said Ohio Environmental Protection Agency spokeswoman Beth Gianforcaro.

Ground-water contamination is one of six cleanup projects in the works at the plant, which closed in 1989. Other remediation projects are a waste pit, the physical

plant, soil contamination and two silos with contaminated materials, Stegner said.

The cleanup of the two silos may take until 2007, but Stegner said the other areas should meet the 2005 deadline set for the site. The Department of Energy and OEPA are working on the cleanup.

The contract for GeoTrans, which the state Controlling Board approved without comment, was a request of the OEPA. GeoTrans is a Virginia-based company that specializes in detailed ground-water monitoring and testing, and remediation design review, Gianforcaro said.

Fluor Daniel Fernald is the Department of Energy's contractor for the cleanup.

The \$400,000 GeoTrans contract will be paid by the state and reimbursed by the Department of Energy, according to documents filed with the Controlling Board.