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**FERNALD CITIZENS TASK FORCE APRIL 19, 1996 MAILING -  
INCLUDES: SITE MAP, AGENDA, SUMMARY OF ENQUIRER  
ACCUSATIONS AS WELL AS A COPY OF THE LETTER FROM OEPA  
CONCERNING THE ACCUSATIONS**

**04/19/96**

**APPLEGATE      TASK FORCE  
25  
MEMO**



619

# MEMORANDUM

**TO:** Task Force Members  
**FROM:** Sheri Landfair  
**SUBJECT:** Site Tour, April 27 9:00 am  
**DATE:** April 19, 1996

Included is the map with the agenda on the back for the Saturday, April 27 Fernald site tour ( please note 9:00 am start time). I have also enclosed a summary of *Enquirer* accusations. Note that the arrows next to an entry are the specific accusations FERMCO and DOE have been asked to address on our tour.

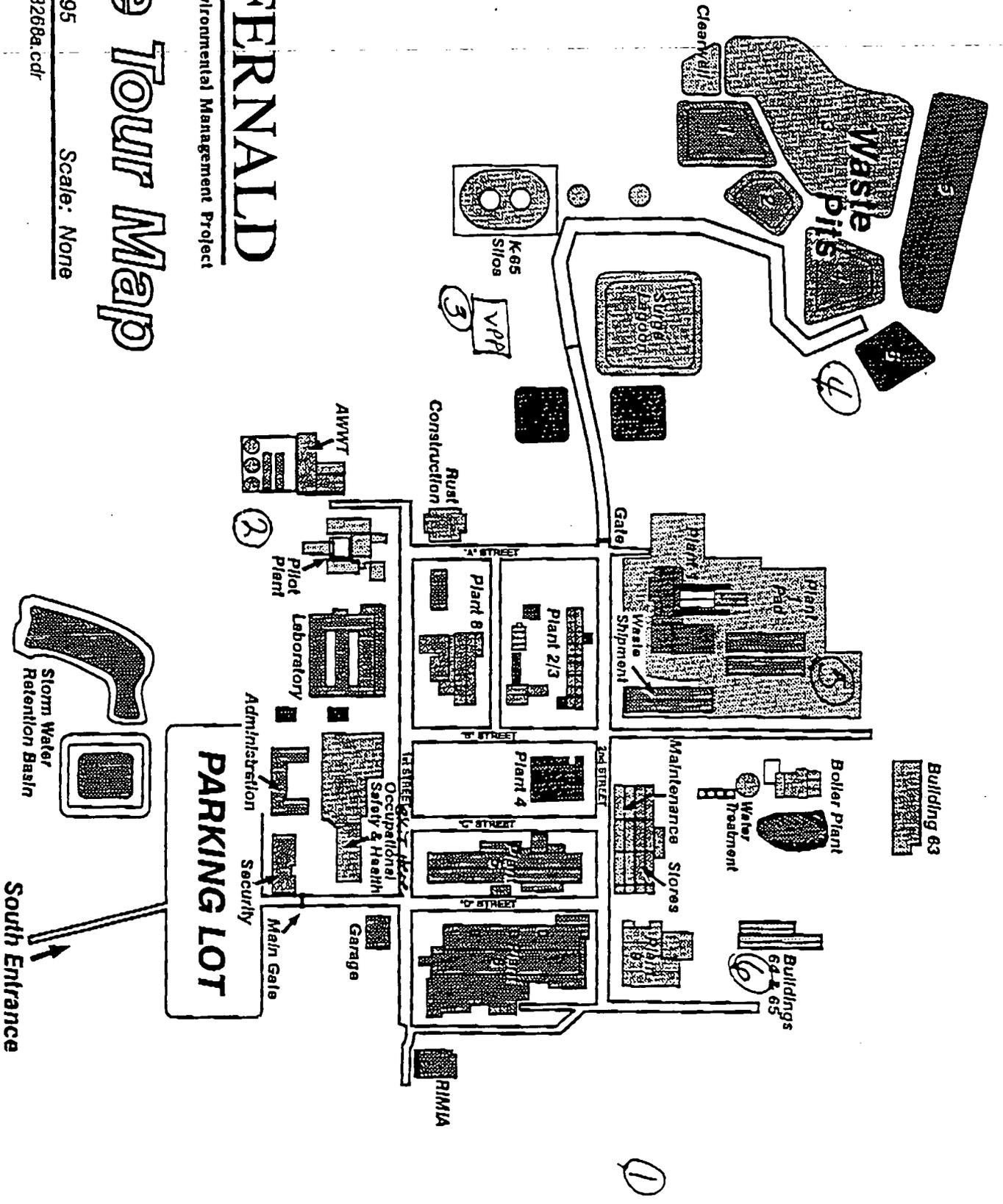
In addition, at John's request, FERMCO is preparing a formal response to several of the most important allegations. We will distribute this response as soon as we get it, absolutely before the tour on Saturday.



**FERNALD**  
Environmental Management Project

# Site Tour Map

Date 3-10-95  
Scale: None  
Graphics # 3268a.cdr



- 9:00 Arrival (Saturday parking is open) Pick up visitor badges in lobby. (Each person will need a picture I.D.) Proceed to DOE Executive Conference Room.
- 9:00 - 9:15 View Visitor Orientation Video/Get individual dosimeters (very important to have access forms accurately completed by Friday, April 26)
- 9:15 - 9:30 Jack Craig Welcome; introductions, if necessary
- 9:30 - 9:40 Put on safety shoes, lock personal items, board mini-bus
- 9:45 Begin tour (Corresponding number on site map)
1. View location of Disposal Facility
  2. View sump pump on west side of Bldg. 51
  3. Visit Pilot Plant (enter through back entry point)
    - Safety briefing (Rick Maurer)
    - Tour of VPP (Don Paine and/or Nina Akgunduz)
  4. Drive by Waste Pit Area
  5. Stop Plant 1 Pad
    - Walk area (Mike West and/or Dave Rast)
  6. Stop Thorium Overpack
    - See demo of overpacking (Fran Ito and/or John Trygier)
  7. Rest of tour, drive by:
    - Plant 6
    - Plant 5
    - Plant 4
    - Plant 2/3
    - Plant 8
    - Pilot Plant
    - AWWT
- 12:00 Monitor out at Services Bldg  
Return to DOE Ex. Conf. Room for shoes/personal items

## Summary of *Enquirer* Accusations on Fernald 12/95 - 4/96

“Taxpayers Bilked in Fernald Cleanup”, *Cincinnati Enquirer*, 2/11/96.

- FERMCO gave fake performance reports to DOE to cover up cost and schedule overruns, and did not correct inaccuracies in reports
- 236 financial accounts and charge numbers used to bill govt were set up with no budgets or authorization from DOE
- FERMCO employees charged millions to accounts set up to pay for other govt projects
- FERMCO officials billed govt without identifying charges or projects
- FERMCO officials submitted phony cost and inflated work estimates to DOE, leading to overbudgeting and overfunding
- FERMCO deceptive as to status of projects (claiming to be on schedule when they were behind, and hiding numerous design and construction problems that delayed the work)

“Trusting Agency Pays \$15M Without Receipts,” *Cincinnati Enquirer*, 2/11/96.

- DOE has paid more than \$15 million in unsubstantiated travel expenses to companies cleaning up Fernald, based on typewritten statements with no receipts or documentation
- FERMCO had to repay \$509,625 of disputed 1993 travel costs, still negotiating remaining \$691,000
- Per diem costs paid even after employees at Fernald longer than 30 days, in violation of contract

“Fernald: History Repeats Itself,” *Cincinnati Enquirer*, 2/12/96

- Officials have lied for 40 years about the levels of contamination surrounding area and residents have been exposed to
- Organs taken from body of Fernald worker after death without permission in 1986, sent for radiation analysis
- Fernald designated Superfund site in 1986 -- cleanup strategy to be completed in three years. After six years and \$100 million no conclusions reached
- In 1994 DOE Inspector General blasted FERMCO for spending \$642,000 on unnecessary furniture, storage and damage
- FERMCO workers instructed not to talk to government inspectors
- Despite two lawsuits, actual health risks to Fernald workers and neighbors undetermined

“Fernald Workers’ Safety Threatened”, *Cincinnati Enquirer*, 2/12/96, and “Contaminated Site: Investigation of Fernald reveals an atmosphere of anemic ethic,” *Cincinnati Enquirer* editorial, 2/12/96.

- Seven criticality incidents where drums of radioactive waste were stored too closely together
- 80 cases of workers being exposed to radiation between 1/8/93 and 10/10/95 -- FERMCO management policies or personnel to blame
- Fernald workers found high on cocaine or drunk, but later allowed to return to work
- Intentional sabotage of electrical circuit breakers which could have led to explosions
- Hiding of surgical gloves filled with radioactive material in personnel radiation monitor
- Repeated failure of radiation alarms due to power outages or dead batteries
- Missing or misplaced containers of uranium
- Radioactive materials being shipped off-site in mislabeled drums, which led to one man being exposed to radiation
- Substandard bolts being used to hold together radioactive containment equipment, cranes and lifts
- Anon. source: Buddies contaminated because bosses told them old pump lines had been flushed and they hadn’t been
- Management problems include: failure to adequately train workers, failure to properly maintain safety equipment, failure to follow DOE rules to prevent explosions or radiation contamination
- Computer software modified to create FERMCO’s false reports on cost and performance

“Secret Plan Inflates Cost,” *Cincinnati Enquirer*, 2/13/96.

- FERMCO is diverting govt money to secretly develop a new process to prepare nuclear waste for disposal (dehydration and powderization of waste before encapsulation)
- FERMCO is hiding the cost through combining similar work from separate categories into single budget categories
- Secret plan calls for expansion and modification of Fernald Residues Vitrification Plant
- Original budget estimates for cleanup in 1983 were \$90 million -- most recent estimated cost is \$240 million -- charges that FERMCO is deceiving the govt with the lower estimate, and then will increase once contract is approved
- Original \$14.4 million estimate for pilot vitrification plant has jumped to more than \$42 million, which doesn’t include testing of new procedures
- To make deadlines and qualify for performance fees, materials were bought before plant design was completed, leading to numerous design problems and purchase of hundreds of thousands of dollars in unnecessary machinery
- Technical and mechanical problems with cutters to slice vitrified nuclear waste, leading to safety concerns
- Filters used to remove highly toxic radioactive gas have continually broken down and become contaminated
- 10-year proposal is so rushed that it was unrealistic and employees had to re-review and re-estimate everything
- Delay in submitting new 10-year contract so DOE will have less time to review it

“GAO Called to Probe Fernald,” *Cincinnati Enquirer*, 2/13/96

- Excessive severance pay

“Researcher: Radium Study Compromised,” *Cincinnati Enquirer*, 2/13/96

- DOE funneled money for research on radium extraction through FERMCO, which has meant only post-vitrification extraction is being researched even though per-vitrification extraction is more cost-effective

“Taxpayers pay \$13M in Buyouts,” *Cincinnati Enquirer*, 2/14/96

- Taxpayers are footing the bill for almost \$13 million in severance packages to private Fernald employees who agreed to buyouts in 1995
- FERMCO received hundreds of thousands of dollars in a “performance fee” for its successful handling of the buyout program
- Buyouts offered to workers who were already about to lose their jobs because their work was completed
- Approximately 240 employees who have accepted buyouts are still employed and haven’t received bonuses
- 60 additional workers hired since buyouts were offered

“Agency Failed to Detect Problems,” *Cincinnati Enquirer*, 2/14/96

- In 1993 FERMCO claimed to be ready to begin removal of 200,000 gallons of radioactive liquid, but weeks before work was to begin DOE and EPA discovered tests and studies had not been performed as claimed -- project was delayed
- US Rep. John Dingell (D-Mich) found “questionable uses” of taxpayer money at Fernald, including a \$108,000 company picnic
- Rep. Dingell also produced memos suggesting FERMCO wanted to figure out whether it could save money by violating health and safety regulations and paying fines if caught

“Senators Call for Fernald Probe,” *Cincinnati Enquirer*, 2/15/96

- DOE does not have resources to make sure contractors in charge of cleanup are doing the job assigned
- Govt consistently underestimated worker exposure to radioactive materials and uranium emissions

“More Deceit: Latest Pollution from Fernald is a cloud of excuses and denials,” *Cincinnati Enquirer* editorial, 2/15/96

- DOE claimed it didn’t have enough manpower to audit FERMCO, but had 56 people on site
- ➔ FERMCO and DOE asked pointblank about secret alternative waste-handling process and said they knew nothing about it. One week later they say they knew all along
- Escalating deceit and coverup more alarming than scandal itself
- DOE official said travel receipts not checked because private contractors have to be trusted

“Firm Runs Ad Denying Reports,” *Cincinnati Enquirer*, 2/20/96

- Enquirer did not refuse to run ad, they asked FERMCO to delete words “and unsubstantiated” and FERMCO chose to pull ad rather than change text
- Union officials say ad was tacky and unprofessional, and did not speak for the union members

“FERMCO Ignored Defects,” *Cincinnati Enquirer*, 3/3/96

- Plant labeled a “deathtrap awaiting its first victim” by senior management employee of company responsible for rebuilding it
- FERMCO has known about structural flaws since foundation was poured in 1994, but refused to allow construction company to repair flaws properly
- Several large sections of plant’s foundation and walls (including radiation-shielding walls) were built with inadequate rebars
- Concrete floors and walls are chipped, cracked and filled with air pockets into which spilled waste could seep
- Industrial painters told to cover flaws with epoxy to hide them, and to keep quiet about it
- Entire sections of walls are cracking, tilting, or out of alignment; concrete poured in violation of temperature requirements
- Substandard and faulty welds made on pipes, beams, stairways and tanks that will hold radioactive material
- Piping not properly coated and beginning to rust; area not sealed off before sandblasting and now machinery has been damaged
- FERMCO decided engineering standards should not apply after a problem was discovered
- Quality assurance inspectors conducted inspections without required drawings
- Allowed Schweitzer workers to weld without proper certifications
- After noting flaws FERMCO directed subcontractor to leave “as is”
- Radiography performed only on vibrated walls, not on flawed walls

“Leaking Drums Pose Hazards,” *Cincinnati Enquirer*, 3/4/96

- Barrels allowed to leak over weekends because it doesn’t want to pay workers overtime, 12 employees claim
- FERMCO underreporting number of leaky drums to DOE
- Plant 1 area occasionally shut down because radioactive material has leaked
- Drivers have to walk into leaky messes on Monday, and then were forced to move damaged barrels to a repacking area

“Tank Cleanup Riddled With Problems,” *Cincinnati Enquirer*, 3/5/96

- FERMCO downgraded inspection process to speed along tank cleanup so it could win performance fees
- DOE and EPA records show FERMCO failed to create a safety and operational program, mislabeled tanks, used defective leakproof pumps, improperly maintained logbooks, and encountered procedural compliance and training problems

“Fernald Barrels Leaking,” *Cincinnati Enquirer*, 3/12/96

- FERMCO now admits about 80 leaking barrels between 1/1 and 2/15, which it had denied two weeks ago

“FERMCO Admits False Statements,” *Cincinnati Enquirer*, 3/14/96

- FERMCO lied and tried to ruin reputation of subcontractor to hide their own design and management mistakes
- FERMCO admits it made false statements about R.E. Schweitzer Construction Co., claiming that FERMCO was in litigation with them and that contracts with the company had been terminated

“FERMCO Can’t Find Records,” *Cincinnati Enquirer*, 3/24/96

- FERMCO violated environmental regulations by failing to keep records for hundreds of inspections of storage, handling and maintenance of radioactive wastes
- Company sometimes used untrained employees as radioactive waste inspectors
- Failed to document and take action on identified problems

“Key Project at Fernald Plagues by Problems,” *Cincinnati Enquirer*, 3/25/96

- DOE investigative team found scores of financial, design, construction, testing and safety problems in a pilot project for encapsulating radioactive wastes
- Because pilot plant and full-scale plant are schedule driven, “crisis management is the rule of the day”
- Piping designed to trap and remove radioactive off-gas from plant may clog because it’s too long and has too many bends
- Operations and maintenance personnel have little access to plant’s processing equipment, and there is a poor records management system
- FERMCO purchased equipment for pilot project before studies and designs were completed
- FERMCO deceived DOE project manager by falsely assuring them problems would have no impact on scheduled completion date
- No back-up blower for the primary off-gas vent, which could result in escape of gases from melter into the building
- Labels on some valves are incomplete, too small or do not exist
- Personnel must climb ladders during freezing, inclement weather in uncovered secondary radiation containment area
- Insulation used on the melter might be carcinogenic
- Key processing area contains instances of poor maintenance planning, with no way to correct them
- No provisions for installing a permanent safety rail at the top of the melter

“FERMCO Spending Exceeds Industry Norm, Report Says,” *Cincinnati Enquirer*, 3/26/96

- Study commissioned by DOE says FERMCO has too many managers and has spent millions more than industry average on administrative and maintenance costs
- Managers account for \$120 million in labor charges, hourly employees account for only \$28 million
- Project Management and Landlord Services labor costs totaled \$80 million, but only \$69 million went toward labor costs to clean up the site
- 81.2% of labor costs for Project Management and Landlord Services went to administrators and salaried professionals, and only 18.8% to hourly employees actually doing the work
- FERMCO taking too long to complete various cleanup projects at Fernald, wasting millions of dollars

“Fernald Faults Confirmed,” *Cincinnati Enquirer*, 4/3/96

- DOE teams verified many specific problems at Fernald noted in *Enquirer* articles were true, and recommended that they be reviewed and corrected
- DOE Ohio Field Office manager made a member of review team even though team was to investigate oversight failures by that office
- Team spent only three days on probe, and technical problems prevented them from determining whether FERMCO was supplying DOE with phony data
- Charges the team found to be true include: Control accounts were opened without authorization; FERMCO is continuing to design a full-scale vitrification plant even though pilot plant hasn't been tested; and FERMCO failed to report incidents of barrels leaking radioactive waste

“Ohio EPA: Fernald Inspection Rules Violated,” *Cincinnati Enquirer*, 4/6/96

- Ohio EPA has ordered DOE and FERMCO to correct state radioactive and hazardous waste inspection rules violations immediately
- FERMCO failed to ensure records were kept showing whether approximately 140 mandatory safety inspections were conducted between 7/1/95 and 2/16/96, including at Plant 1 Pad Area, where radioactive barrels are stored
- FERMCO admits allowing untrained employees to become radioactive and hazardous waste inspectors



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