

Hanford Contractor to Pay More than \$18.5M

SHANNON DININNY, Associated Press

RICHLAND, Wash. (AP) — One of the contractors charged with cleaning up the nation's most contaminated nuclear site has agreed to pay an \$18.5 million civil and criminal penalty related to a time card fraud scheme, under a settlement agreement announced Wednesday.

The penalty is the largest ever assessed to a contractor at south-central Washington's Hanford nuclear reservation, U.S. Attorney Michael Ormsby of the Eastern Washington district said, and perhaps the largest ever from his office.

CH2M Hill Hanford Group Inc. held a contract from 1999-2008 to clean out underground waste tanks at Hanford, a facility that produced plutonium for the nation's nuclear weapons arsenal and today is a massive environmental cleanup project.

Workers at the company routinely overstated the number of hours they worked, and some company managers condoned the practice, and submitted inflated claims to the Department of Energy that included fraudulently claimed hours, according to the settlement.

Eight people at the company, which is a subsidiary of Denver-based CH2M Hill Companies Ltd., have pleaded guilty in the time card fraud scheme.

Under the agreement, CH2M Hill admitted its subsidiary was a co-conspirator in the scheme and agreed to pay a \$16.55 million civil penalty and return \$1.95 million in wrongfully-obtained profits to the federal government.

"This sort of systemic fraud is an appalling abuse of the trust we place in our contractors at Hanford and it simply will not be tolerated," Ormsby said.

CH2M Hill no longer holds the contract for tank waste cleanup, but it is under contract to clean up another section of the 586-square-mile Hanford site.

Ormsby noted that CH2M Hill cooperated with the investigation, and said the company also agreed to pay as much as \$580,000 for an independent monitor and monitoring system to ensure the company takes appropriate corrective actions at its new contract going forward.

In a statement, CH2M Hill said it was satisfied with the agreement but added it was disappointed by the conduct that made it necessary.

"This conduct was not consistent with CH2M HILL values, but it happened on our watch and we should have rooted it out sooner," spokesman John Corsi said. "Since 2008, we have made many important oversight and governance changes in how we

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Published on Chem.Info (<http://www.chem.info>)

monitor and manage timecards and overtime at Hanford to make sure that this does not happen again."

The federal government created Hanford in the 1940s as part of the top-secret Manhattan Project to build the atomic bomb. Today, it is the nation's most contaminated nuclear site, with cleanup expected to last decades.

Central to that effort: the removal of millions of gallons of highly toxic and radioactive waste from 177 underground tanks. State and federal officials recently announced that six of those tanks are leaking, putting added pressure on efforts to empty the tanks and prevent any new contamination from reaching the groundwater and the neighboring Columbia River.

Source URL (retrieved on 01/27/2015 - 7:19pm):

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