

Department of Justice  
U.S. Attorney's Office  
Northern District of Georgia

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FOR IMMEDIATE RELEASE

Friday, April 21, 2017

## **Energy & Process Corp. agrees to pay \$4.6 Million for alleged False Claims Regarding Defective Steel Rebar and Quality Control Failures in Nuclear Waste Treatment Facility**

ATLANTA – Energy & Process Corporation (“E&P”), of Tucker, Georgia, has agreed to pay the United States \$4.6 million to resolve allegations that it violated the False Claims Act by knowingly failing to perform mandatory quality assurance procedures and, as a result, supplying the Government with defective steel reinforcing bars (“rebar”) for use in constructing a U.S. Department of Energy (“DOE”) nuclear processing facility – i.e., the Mixed Oxide Fuel Fabrication Facility (“MOXX Facility”) – at the Savannah River Site, which is near Aiken, South Carolina. The MOXX Facility has never been operational or processed nuclear materials, and currently remains under construction.

“Our complaint alleges that after actively touting its experience with nuclear construction and quality assurance work, and then being hired to perform such work in connection with an important project, E&P chose to forego the agreed to quality assurance work, and then compounded this failure by falsely certifying to the Government that it had performed the quality assurance work,” said U.S. Attorney John Horn. “This settlement recovers substantial losses caused by E&P’s decision to cavalierly place its own profits above its commitment to adhere to important nuclear safety and quality control requirements.”

“Compliance with contract requirements is expected by all who contract with the U.S. government, but is especially critical in connection with the construction of a nuclear facility,” said Acting Assistant Attorney General Chad A. Readler of the Justice Department’s Civil Division.

The Government alleges that, although the DOE – in connection with construction of the MOXX Facility – paid E&P to supply rebar meeting the stringent quality assurance standards of the U.S. Nuclear Regulatory Commission (“NRC”), E&P failed to perform most of the necessary quality assurance work, and then concealed its failing by falsely certifying that it had completed the work. As result of E&P’s failure to perform the requisite quality assurance work, one-third of the rebar

supplied by E&P for use in the MOXX Facility was incorrectly bent, and therefore outside of safety specifications. After discovering the deficiency, the DOE undertook costly and time-consuming measures and successfully remediated the potential hazards associated with E&P's rebar to ensure the safe operation of the MOXX Facility.

The settlement resolves allegations filed by Deborah Cook, a former employee of the prime contractor building the facility, under the qui tam, or whistleblower, provisions of the False Claims Act. Under the Act, private citizens can bring suit on behalf of the government for false claims and share in any recovery. The False Claims Act also permits the government to intervene in such lawsuits, as it did in this case. The lawsuit was filed in the Northern District of Georgia and is captioned United States ex rel. Cook v. Shaw Areva Mox Services, LLC, et al., Case No. 01:13-cv-4023 (N.D. Ga.). Ms. Cook will receive a share of the settlement.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

This matter was investigated by the Civil Division's Commercial Litigation Branch, the U.S. Attorney's Offices of the Northern District of Georgia and the District of South Carolina, and the Department of Energy's Office of Inspector General.

Assistant United States Attorneys Paris A. Wynn and Gabriel Mendel handled this matter for the U.S. Attorney's Office.

For further information please contact the U.S. Attorney's Public Affairs Office at [USAGAN.PressEmails@usdoj.gov](mailto:USAGAN.PressEmails@usdoj.gov) (link sends e-mail) or (404) 581-6016. The Internet address for the home page for the U.S. Attorney's Office for the Northern District of Georgia Atlanta Division is <http://www.justice.gov/usao-ndga>.

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**Topic:**

Consumer Protection

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