

## JUSTICE NEWS

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### **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**

The Justice Department announced today that Energy & Process Corporation (E&P) of Tucker, Georgia, has agreed to pay \$4.6 million to resolve the government's lawsuit filed under the False Claims Act alleging that it knowingly failed to perform required quality assurance procedures and supplied defective steel reinforcing bars (rebar) in connection with a contract to construct a Department of Energy (DOE) nuclear waste treatment facility.

"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 lawsuit alleged that the DOE paid E&P a premium to supply rebar that met stringent regulatory standards for the Mixed Oxide Fuel Fabrication and Reactor Irradiation Services facility in the DOE's Savannah River site near Aiken, South Carolina, but that E&P failed to perform most of the necessary quality assurance measures, while falsely certifying that those requirements had been met. The lawsuit further alleged that one-third of the rebar supplied by E&P and used in the construction was found to be defective. E&P subsequently replaced some of the defective rebar. The \$4.6 million to be paid by E&P to resolve the government's False Claims Act lawsuit is in addition to the replacement costs incurred by E&P.

"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 A. Horn for the Northern District of Georgia. "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."

The allegations resolved by this settlement arose in part from a whistleblower lawsuit filed under the False Claims Act by Deborah Cook, a former employee of the prime contractor that subcontracted with E&P in the course of building the DOE facility. Under the False Claims Act, private citizens can sue for false claims on behalf of the government and share in any recovery. The act permits the government to intervene and file its own complaint in such lawsuits, as it did in this case. Cook's share of the settlement has not been determined.

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

The case is captioned United States ex rel. Cook v. Shaw Areva Mox Services, LLC, et al., Case No. 01:13-cv-4023 (N.D. Ga.).

The claims asserted against E&P are allegations only, and there has been no determination of liability.

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Civil Division

USAO - Georgia, Northern

**Topic:**

False Claims Act

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