



Department of Energy

Washington, DC 20585

December 5, 2019

Mr. Joel Duling
President
BWXT Nuclear Operations Group, Inc.
2016 Mt. Athos Road
Lynchburg, Virginia 24504

Dear Mr. Duling:

This letter serves as notification of the Office of Enterprise Assessments' Office of Enforcement's decision to conduct an investigation into the facts and circumstances associated with the November 13, 2018, performance degradation of the outer fuel element at the Department of Energy's (DOE) Oak Ridge National Laboratory High Flux Isotope Reactor. This performance degradation involved components manufactured by BWXT Nuclear Operations Group, Inc. (BWXT NOG).

The Office of Enforcement will conduct this investigation pursuant to the authority set forth in 10 C.F.R. § 820.21, *Investigations*. The investigation will include an onsite visit and interviews with contractor personnel.

A request for documents to support this investigation will be provided separately via e-mail. Your cooperation to ensure timely submission of all requested documents to our office by the requested date is appreciated.

Under the Major Fraud Act (MFA), as amended, 41 U.S.C. § 4310, this investigation may be a proceeding commenced by the United States that relates to a violation of, or the failure to comply with, a Federal regulation. Costs incurred in connection with such a proceeding are subject to the reimbursement restrictions of the MFA implemented at 48 C.F.R. § 31.205-47. As a result, BWXT NOG should track any costs incurred that are directly attributable to supporting DOE's investigation, subsequent to receipt of this letter, and segregate them from other potentially allowable costs.



If you have any questions concerning this letter, please contact me, at (301) 903-7707.

Sincerely,

A handwritten signature in black ink that reads "Kevin L. Dressman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kevin L. Dressman
Director
Office of Enforcement
Office of Enterprise Assessments

cc: Johnny Moore, SC-OSO
Thomas Zacharia, UT-Battelle
Debbie Jenkins, UT-Battelle
Clay Richardson, BWXT NOG