

June 3, 2008

Battelle Memorial Institute
505 King Avenue
Columbus, OH 43201

Dear Sir or Madam:

Sometime in the next few weeks, the Project On Government Oversight (POGO) will update its Federal Contractor Misconduct Database (<http://www.contractormisconduct.org/>), a compilation of information from public resources regarding government contractors, including Battelle Memorial Institute. On February 27, 2006 and November 15, 2006, we sent Battelle Memorial Institute information regarding findings in POGO's database. As of today, we have not received a response from you. I have enclosed the findings relevant to your company, and I am seeking verification of this data.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to Battelle Memorial Institute, please be assured that any response received by POGO will be posted on the website along with the data.

The biggest change we will be making to the database is the inclusion of more federal contractors (the top 100). We are also adding new instances that we have found in recent months and updating instances already in the database with new information. Please note that the database also includes pending instances, but these are kept separate from resolved instances and are not included in the totals.

If you have any questions, I can be reached at (202) 347-1122. Thank you for your time and consideration.

Sincerely,

Neil Gordon
Investigator

Enclosure

Instances

1. Laul v. Battelle Memorial (Improper Accounting)

Date: 05/01/1996 (Date of Settlement)

Misconduct Type: Cost/Labor Mischarge

Enforcement Agency: Energy

Contracting Party: Energy

Court Type: Civil

Amount: \$330,000

Disposition: Settlement

Synopsis: In May 1996, Battelle Memorial Institute was charged with using improper accounting procedures for use of government equipment. A settlement was reached in which Battelle paid \$330,000 to the federal government and J.C. Laul, a former employee. Laul had filed suit in 1995 claiming that Department of Energy equipment was being used by Battelle for non-governmental (commercial) uses. The settlement excluded any admission of wrongdoing by Battelle.

2. Price-Anderson Violations – Pacific Northwest National Lab

Date: 01/03/2008 (Date of PNOV)

Misconduct Type: Labor

Enforcement Agency: Energy

Contracting Party: Energy

Court Type: Administrative

Amount: \$288,750

Disposition: Fine

Synopsis: The Department of Energy issued a Preliminary Notice of Violation (PNOV) to the Battelle Memorial Institute for nuclear safety violations at the Pacific Northwest National Laboratory (PNNL), of which Battelle is the managing and operating contractor. The PNOV cites a series of violations related to “two radiological events and a programmatic performance deficiency at the PNNL...The radiological events included: (1) the December 2006 airborne plutonium release at the Radiochemical Processing Laboratory (RPL); and (2) the June 2007 spread of contamination from a leaking sealed source. The programmatic performance deficiency involved the implementation of the Battelle Memorial Institute (Battelle) independent assessment program.” The DOE proposed a civil penalty of \$288,750, but “[u]nder the Atomic Energy Act provisions applicable to contracts entered into prior to the enactment of the Energy Policy Act of 2005, Battelle is statutorily exempt from the civil penalties associated with nuclear safety enforcement at PNNL for violations occurring at the time of the events.”

Pending Instances

Stevens v. Battelle Memorial Institute (Wrongful Death)

Date: 07/12/2006 (Date of Filing)

Misconduct Type: Health

Enforcement Agency: Non-Governmental

Contracting Party: Defense - Army

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: Battelle Memorial Institute, as a government contractor with science-related contracts, had a supply of anthrax at the time of the anthrax scare of 2001. Battelle Memorial was suspected of not sufficiently securing the anthrax from terrorist threats. Stevens, a photo editor in Florida, died after anthrax exposure and his estate sued Battelle Memorial. As of October 2005, the case has been stayed pending an appeal by Battelle Memorial. In June 2007, the U.S. Court of Appeals for the 11th Circuit sent the case back to the Florida Supreme Court to settle a legal question involving Battelle Memorial's duty to protect members of the public from ultra-hazardous materials stored in its facilities.