

June 5, 2008

Battelle Energy Alliance, LLC  
Idaho National Laboratory  
P.O. Box 1625  
Idaho Falls, ID 83415

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 Energy Alliance. 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 Energy Alliance, 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. Price-Anderson Violations (Neutron Radiography Reactor)

Date: 12/03/2007 (Date of PNOV)

Misconduct Type: Labor

Enforcement Agency: Energy

Contracting Party: Energy

Court Type: Administrative

Amount: \$123,750

Disposition: Fine

Synopsis: The Department of Energy proposed a civil penalty of \$123,750 for Battelle Energy Alliance, LLC's violations of the Price-Anderson Amendments Act nuclear safety requirements at the Neutron Radiography (NRAD) reactor in Idaho. The Preliminary Notice of Violation (PNOV) cites a series of violations that occurred on August 20, 2006 during the restart and subsequent automatic unplanned shutdown of the NRAD reactor. Violations include failures to adhere to technical safety requirements and reactor operating instructions, inadequacies in the reactor operating instructions, failure to correct known problems with a reactor component, and failure to adequately conduct management assessments in reactor operations. While the violations did not compromise reactor safety systems, they did represent a significant departure from what the DOE expects in the operation of its reactors.

### 2. Worker Safety and Health Violations at INL

Date: 03/20/2008 (Date of PNOV)

Misconduct Type: Labor

Enforcement Agency: Energy

Contracting Party: Energy

Court Type: Administrative

Amount: \$250,000

Disposition: Restitution

Synopsis: The Department of Energy issued a Preliminary Notice of Violation (PNOV) to Battelle Energy Alliance, LLC for violating the Department's worker safety and health regulations at Idaho National Laboratory (INL). The PNOV cites a series of violations related to two events that occurred at INL in 2007. The first event occurred in June 2007 when a worker pouring finely-powdered red phosphorus from a plastic bag into a metal canister ignited a fire. The second event occurred in July 2007 when two INL firefighters responding to a fire were shocked by a sagging overhead power transmission line. "Violations include failures to identify and assess workplace hazards; establish controls to prevent and abate hazards; provide adequate training and information; adhere to procedures; and comply with fire protection and emergency response requirements." As penalty for the violations, the DOE Idaho Operations Office reduced Battelle's fee for fiscal year 2007 by \$250,000 in the contractor's end-of-year performance evaluation.