

Energy & Process Corp. Settles Whistleblower Action Related to Construction of Nuclear Waste Treatment Facility

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by Erin Conti

On Monday, April 24, the U.S. Department of Justice announced that Energy & Process Corp. agreed to pay \$4.6 million to settle False Claims Act allegations concerning the construction of a large nuclear waste treatment facility in South Carolina. The allegations came to light as part of a whistleblower action brought by a former employee of a principal E&P subcontractor in late 2013. The federal government intervened last year.

The U.S. Department of Energy hired Energy & Process to provide supplies for a nuclear waste treatment facility. When complete, the multibillion dollar facility will transform more than 30 metric tons of surplus weapons-grade plutonium into fuel pellets for use at nuclear power plants.

The FCA suit alleged that Energy & Process provided faulty steel reinforcing bars, failed to conduct quality assurance, and falsely certified its products and processes adhered to U.S. Nuclear Regulatory Commission standards. In its complaint in intervention, the federal government noted that if Energy & Process's deficient efforts had not been discovered, the public would have been exposed "to the serious and long lasting risks associated with radiological contamination." Energy & Process denied any wrongdoing and in a public statement expressed its desire to end what "has been an ongoing distraction and expense to the company for almost 10 years."

The suit highlights the strict regulatory requirements facing major players in the nuclear energy sector, the stakes of noncompliance, and the slow path to project completion—all of which impose significant costs on nuclear power projects. Though originally slated for completion in 2015, the South Carolina facility is now striving for a 2025 completion date.

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