



Department of Justice

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UNITED STATES SETTLES FALSE CLAIMS ACT ALLEGATIONS AGAINST TVA CONTRACTOR BARTLETT HOLDINGS, INC.

KNOXVILLE, Tenn.- The United States, on behalf of the Tennessee Valley Authority (TVA), reached a settlement on April 22, 2016, with TVA contractor Bartlett Holdings, Inc. (Bartlett), d.b.a. BHI Energy/Sun Technical Services. Bartlett was alleged to have violated the False Claims Act by knowingly concealing or knowingly and improperly avoiding an obligation to refund overpayments received from TVA for work performed on the project to complete the construction of Watts Bar Nuclear Plant Unit 2. Under the terms of the settlement, Bartlett agreed to pay the United States \$2.8 million.

In January 2008 Bartlett entered into a subcontract with Bechtel Power Corporation, TVA's engineering, procurement and construction contractor on the Watts Bar Unit 2 project, to furnish qualified personnel to Bechtel for the project. Bartlett's subcontract, which was funded by TVA, provided for Bartlett to be reimbursed its actual costs for wages and related expenses, including payroll taxes and insurance incurred for employees working on the project. However, the United States alleged that Bartlett received payments from TVA in excess of actual costs for payroll taxes and insurance and knowingly failed to timely identify, report and refund those overpayments to TVA as required under the subcontract.

"The issue of losing public funds through fraud, waste and abuse is all too well known," said Acting U.S. Attorney Nancy Harr. "Since these losses usually result in increased costs to the public, parties that contract with the government or its agencies must be held to the terms of their contract. The U.S. Attorney's office remains committed to recovering funds lost when a contractor departs from its contractual obligations," added Harr.

This settlement resulted from a joint, comprehensive investigation conducted by the U.S. Attorney's Office and the TVA Office of Inspector General (TVA-OIG). In January 2014, the TVA-OIG Audit Division initiated an audit of payments to Bartlett under its subcontract. The U.S. Attorney's office and TVA-OIG Investigations Division subsequently joined the investigation following the filing of a *qui tam* or whistleblower complaint in May 2014.

Acting U.S. Attorney Harr commended the cooperative efforts of TVA Inspector General Richard Moore and his staff who participated in this complex investigation, including counsel to the Inspector General Charles Kandt, who was assigned to the matter as a Special Assistant U.S. Attorney (SAUSA). SAUSA Kandt and Assistant U.S. Attorney Rob McConkey represented the United States' interests in this case.

Members of the public should be reminded that the claims settled by this agreement are allegations only and there has been no determination of liability.