Battelle, federal government settle suit

RICHLAND, WA -- Battelle Memorial Institute, operator of the Department of Energy's Pacific Northwest National Laboratory, has reached an agreement with the Department of Justice and a former employee to settle a suit against Battelle for alleged improper accounting procedures for use of government equipment. Under the terms of the agreement, Battelle will pay $330,000 to the federal government.

Former employee J. C. Laul filed a qui tam lawsuit against Battelle in March 1995, claiming DOE equipment was used for commercial purposes without compensation to the government and that certain accounting procedures were not followed in relation to this use. (A qui tam lawsuit is an action brought under the False Claims Act that allows private citizens to file suit on behalf of the United States and receive a portion of the amount recovered. The Justice Department has the option to take over the case, as it did in this instance.)

The settlement, which was negotiated in May 1996, excludes any finding of violation by Battelle and is not an admission of liability or wrongdoing. Battelle has agreed to the terms of the settlement to avoid further litigation.

In 1992, more than two years prior to the qui tam action, Battelle staff discovered an error in the classification of a piece of equipment, resulting in inadequate compensation to DOE for its use (DOE permits commercial usage of government equipment with proper compensation). Battelle then initiated a comprehensive investigation and based on the findings, paid DOE $110,000 in compensation. Following a review in January 1995, DOE recognized Battelle for the corrections and for establishment of new accounting procedures.

The $110,000 previously paid to DOE will be credited toward the $330,000 settlement; Battelle will pay an additional $220,000. Laul, who filed the qui tam action in the Federal District Court for the Eastern District of Washington, will receive $60,800 for bringing the action.

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