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Department of Justice

U.S. Attorney's Office

Eastern District of Washington

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## **Last Charged Conspirator Sentenced in CH2M Hill Time Card Fraud Case; U.S. Totals Nearly \$20 Million from Those Responsible**

Richland – Michael C. Ormsby, United States Attorney for the Eastern District of Washington, announced that the last of 12 admitted criminal conspirators in the CH2M Hill Hanford Group Inc. (CHG) Time Card Fraud Conspiracy was sentenced for her role in nearly a decade of systemic fraud that took millions from the tax payers. Glenda Michele Davis, a former supervisor at CH2M Hill Hanford Group Inc. (CHG), who admitted her role in the conspiracy and who had cooperated for years with law enforcement, was sentenced to two years of probation and a fine. The other 11 admitted conspirators, including CHG itself, have also described to law enforcement, and ultimately the public, a systemic culture of time card fraud that existed at the Hanford Nuclear Site's Tank Farms from at least 1999 through at least 2008. Through the 12 admitted criminal conspirators, including CHG, and the four members of management and upper management who paid individual civil fines, the United States has collected or imposed \$19,882,412.40, in criminal and civil fines, damages, and penalties directly related to the CHG Time Card Fraud Conspiracy.

"We have been investigating and prosecuting this case since 2008 with our law enforcement partners, the Department of Energy Office of Inspector General and the FBI," said Michael C. Ormsby. "While we recognize there are many dedicated people who work hard every day to advance the crucial mission of cleaning up Hanford, this case should serve as fair warning to all corporations and individuals doing business at Hanford who might seek to abuse the public's trust."

The first conspirator to plead guilty was Carl Schroeder in November of 2011. Between January 2012 and September 2014 another ten individual conspirators pleaded guilty to felony charges for conspiring to defraud the federal government.

Only one of the conspirators to plead guilty, Daniel Paul Niebuhr, did so without agreeing to cooperate

with law enforcement. Mr. Niebuhr, a supervisor at CHG, was also the only conspirator sentenced to any prison time receiving a sentence of 30 days in addition to 3 months of home detention, a \$34,146.60 fine, and a year of supervised release.

Taken together, the individual criminal defendants were ordered to pay a total of \$766,912.40 in criminal fines for the fraud they perpetrated on the public.

In addition, in December of 2014, the United States entered into global criminal and civil settlements with another former CHG supervisor, Stephanie Livesey, and three former CHG upper managers Patrick "Brad" Brannan, Terrence Hissong, and Ryan Dodd. Those settlements involved the dismissal of the criminal charges against them and the imposition of over \$100,000 in civil penalties with Mr. Dodd, a former CHG Vice President of Retrieval and Closure Operations, and Mr. Hissong, a former CHG Tank Farms Management Director, admitting no guilt but nonetheless paying \$44,000 a piece to settle their personal liability under the False Claims Act.

Earlier, in March of 2013, CHG entered into a global civil and criminal settlement and fully admitted that it had criminally conspired with its own employees to defraud the federal government through the Time Card Fraud Conspiracy. CHG's written public confession stated that it had conspired with, among others, members of its upper management generally and with Mr. Dodd in particular. CHG paid a total of \$18.5 million and agreed to a 3 year corporate monitor at its remaining subsidiary on the Hanford Site, CH2M Hill Plateau Remediation Company (CHPRC). The CHPRC corporate monitor works closely with DOE OIG to help detect and deter fraud and will continue to do so into 2016. In addition, CHG agreed to pay an additional half million dollars to install an accountability system approved by DOE OIG to further help detect and deter any future conduct of this nature.

"While it is disheartening that this systemic fraud was ever perpetrated on the public, we are proud of our accomplishments in this case and thankful for the tremendous efforts of our law enforcement partners, as well as the Department of Energy, in bringing responsible parties to justice," concluded Michael C. Ormsby. "Through these efforts we've made clear that blaming a culture of fraud provides no excuse for people or corporations to participate in that fraud."

The investigation was conducted by the Department of Energy's Office of Inspector General and the FBI. The cases were prosecuted by Tyler H.L. Tornabene, an Assistant United States Attorney for the Eastern District of Washington and Daniel H. Fruchter, a trial attorney with the United States Department of Justice, Civil Frauds Section.

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