

Savannah River Site Watch

Savannah River Site Watch For Immediate Release June 16, 2020 https://srswatch.org/

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Secretive Sale of Surplus MOX Equipment by NNSA Perpetuates Cover-Up of Bungled MOX Project, Exposes Lack of Accountability to Taxpayers for Money Wasted on Construction and Equipment

MOX Project Wasted Vast Sums of Money on Stockpiling Huge Amounts of Equipment that Project Managers Knew would be Obsolete when the Project Began Operation – Investigations Needed

Columbia, SC – The announced sale of surplus equipment from the failed plutonium fuel (MOX) project at the Savannah River Site exposes the lack of financial and managerial accountability with the project, according to the non-profit public-interest group conducting public interest oversight of the site.

With no accounting to the public about details of the sale of equipment they own, DOE's National Nuclear Security Administration has hired two sales firms to sell the equipment stored in an off-site warehouse in Barnwell, South Carolina. (See sales company news releases in "notes" below. See photos of the facility on the SRS Watch website, ©SRS Watch: https://srswatch.org/savannah-river-site-watch-photos/) It is unknown where proceeds from the sale will go.

A review of the surplus property posted on the website of one of the sales companies reveals a host of things are being offered at rock-bottom, give-away prices: transformers, switchboards, control panels, electrical supplies, HVAC equipment, valves and an assortment of other materials. But no plutonium gloveboxes, furnaces to produce plutonium oxide or plutonium pellet presses seem to be offered for sale.

Savannah River Site Watch contends that the secretive sale of the equipment stored in a secure warehouse, about which the public knows little, only continues NNSA's needless and inexplicable secrecy which has shielded the bungled MOX project of proper oversight from inception to termination.

The sale involves equipment in MOX equipment "warehouse #3" located off-site on Joey Zorn Boulevard in Barnwell, SC. Other MOX warehouses and laydown yards are on SRS proper but it is believed that it is easier to dispose of equipment from the off-site location, as there is no passage through the SRS perimeter gates.

On receiving an anonymous tip in December 2019 that the laydown yards at warehouse #3 were being cleared out, staff of SRS Watch visited the site and observed the virtually empty laydown yards and the NNSA security signs on the gates and at the storage building entrance. The laydown yards around warehouse #3 appear to have been emptied in late 2019, with little notice to the public as to what happened with vast amounts of material or money that might have been collected from sale of the material.

"This give-away sale of equipment from the MOX debacle highlights the massive waste of money spent on equipment that was stockpiled willy-nilly just to spend annual budgets and enrich contractors," said Tom Clements, director of Savannah River Site Watch. "At the time of the purchase of the equipment it was widely known it would never be used and that the equipment would be degraded due to decades of storage and would be obsolete whenever it might be used. The purchase of the equipment and stockpiling of it was part of a scam to defraud taxpayers. NNSA needs to give full accounting to the public about how much was spent on stockpiled MOX equipment, how much has been given away or scrapped and how much is being sold at pennies on the dollar," added Clements. "The most just thing to do to empty the warehouse is to open the doors to the facility and let patriotic citizens take whatever they want as they paid for it and have absolutely received nothing in exchange for their forced financial support of the MOX project for over 20 years."

SRS Watch has also received information from a credible source on how equipment purchased for the MOX project was essentially double billed, further ripping off tax payers. The DOE's Inspector General and the Government Accountability Office (GAO) are currently refusing to pursue information concerning the alleged scheme to conduct fraud. That lack of concern by GAO and the DOE IG about potential equipment-purchase fraud must be reviewed as part of congressional investigations into waste, fraud, abuse and mismanagement by NNSA and contractors with the MOX boondoggle.

In 2016, via the "Govt Excess Sale" link on the now defunct "moxproject" website, SRS Watch noted sale of "800,000 -1,500,000" pounds of off-specification rebar. The bid information was taken down after SRS Watch inquired about it. Other surplus items for sale had also been advertised via that link, as observed by SRS Watch. It is unknown how much "excess" property was sold by CB&I Areva MOX Services before the project collapsed due to negligence and mismanagement. "Where the money went from past sales of surplus MOX equipment is unclear and must be clarified by NNSA," according to Clements.

NNSA claims that the MOX building and some MOX equipment can be repurposed into the proposed and unjustified SRS Plutonium Bomb Plant (PBP) but NNSA has failed to present proof of that. (A host of comments were recently submitted on the draft EIS on the PBP: https://srswatch.org/wp-content/uploads/2020/06/SRS-Watch-news-on-plutonium-pit-comments-June-3-2020.pdf)

It is unknown if NNSA is intentionally implying that "classified" equipment or "special nuclear material" is in warehouse #3. Curiously, the building has a sign above the entrance concerning the Act. The policy statement in the law says: "This program is intended to reward the provision of original information regarding situations involving an illegal diversion, an attempted illegal diversion, or a conspiracy to divert special nuclear material or atomic weapons. The broad scope of this program is to help guard against the loss or diversion of such

material and to prevent any use or disposition thereof inimical to the common defense and security." This implies that there could be Special Nuclear Material (uranium, plutonium) in the building but SRS Watch doubts that.

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Notes:

SRS Watch photos of warehouse # 3 on Joey Zorn. Blvd. in Barnwell, SC, ©SRS Watch:

https://srswatch.org/savannah-river-site-watch-photos/

See images inside warehouse #3, Joey Zorn Road, Barnwell, SC:

MOX-TV - by CB&I Areva MOX Services, February 28, 2018, Warehouse 3:

MOX TV - December 13, 2017, on-site Warehouse 1:

https://www.youtube.com/watch?v=d4rq21n3tlU&list=PL6m1KuUduzefblsj7cZu44LDkYzG7ifdS&index=8&t=0s

MOX TV - January 29, 2018, on-site Warehouse 2:

https://www.youtube.com/watch?v=8-DGlgZ3CRA&list=PL6m1KuUduzefblsj7cZu44LDkYzG7ifdS&index=6&t=0s

News releases by companies contacted to sell equipment from warehouse #3.:

https://www.prnewswire.com/news-releases/aw-properties-global-awarded-subcontract-by-savannah-river-nuclear-solutions-llc-and-the-us-department-of-energy-to-sell-brand-new-nuclear-grade-equipment-from-the-cancelled-mox-project-301071123.html

AW Properties Global Awarded Subcontract by Savannah River Nuclear Solutions, LLC and the U.S. Department of Energy to Sell Brand New, Nuclear Grade Equipment From the Cancelled MOX Project

News provided by

AW Properties Global
Jun 04, 2020, 19:45 ET

NORTHBROOK, Ill., June 4, 2020 /PRNewswire/ -- AW Properties Global has been awarded the subcontract to sell approximately 450,000 brand new, nuclear grade equipment assets from the canceled MOX Project. AW Properties Global is a leading provider of commercial real estate services that has been conducting property auctions through AuctionWorks, its online marketplace, since 2014. AW Properties Global has partnered with Liquidity Services and PPL Group to auction the assets from the Savannah River Site that are currently located at a property storage location in Barnwell, SC. The assets are the highest nuclear grade available and include generators, copper cable, variable

frequency drives, air conditioning units, and compressors. They can easily be re-purposed for general manufacturing use.

The first of several <u>sales events</u> on <u>AllSurplus.com</u> is currently open for bidding through June 18, 2020 and multiple assets are also available for buyers to <u>make an offer</u> in lieu of an auction event. "These upcoming auctions and make an offer event present a rare opportunity to acquire brand new equipment that is top nuclear grade," said Diana Peterson, President and CEO of AW Properties Global. "Because they are in their original packaging, these assets can be easily removed with no decommissioning required."

Interested buyers can view all assets on www.awproperties.com and AllSurplus.com. For further questions, please contact buyer support at +1-800-665-1042 or <a href="mailto:buyer-buy

About AW Properties Global

AW Properties Global and AuctionWorks (its online auction marketplace), offers a full suite of best in class commercial real estate and residential real estate advisory and transactional services. In conjunction with its strategic partners, AW Properties Global also provides its clients equipment appraisal, sales and auction services. Our senior professionals offer our clients creative, strategic solutions that maximize value and reduce cost. A certified Women's Business Enterprise (WBE) and 100% Woman Owned Small Business (WOSB), AW Properties Global often acts as a strategic, corporate partner and/or government contractor to provide commercial real estate and residential real estate sales, auction, leasing, receivership and property management services as well as equipment appraisal, sales and auction services, both nationwide and internationally. Visit us at www.awproperties.com.

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https://www.prnewswire.com/news-releases/ppl-group-llc-ppl-to-sell-new-nuclear-grade-equipment-from-savannah-river-nuclear-solutions-llcs-cancelled-mox-project-301073384.html

PPL Group LLC ("PPL") to Sell New, Nuclear Grade Equipment from Savannah River Nuclear Solutions, LLC's Cancelled MOX Project

News provided by

PPL Group LLC

Jun 10, 2020, 08:38 ET

NORTHBROOK, Ill., June 10, 2020 /PRNewswire/ -- PPL Group, a premier buyer and seller of industrial machinery and equipment, is selling surplus assets from the Savannah River Site that are currently located at a property storage location in Barnwell, South Carolina. In partnership with AW Properties Global and Liquidity Services, Inc., PPL will sell approximately 450,000 unused <u>assets</u>. The first of several <u>sales events</u> on AllSurplus.com is currently open for bidding through June 18, 2020, and multiple assets are also available for buyers to <u>make an offer</u> in lieu of an auction event.

The assets are being disposed due to a project cancellation and are of the highest nuclear-grade equipment available; easily re-purposed for general manufacturing use. The assets are still in original packaging, making for easy removal with no decommissioning required.

Featured assets for sale include:

- Electrical Switchgear
- Power Transmission and Distribution
- Construction Material
- Hardware & Tools
- Fittings, Flanges and Connectors
- HVAC
- Plant Support Equipment

"The assets for sale from the Savannah River Site mark a rare opportunity for plant owners to purchase brand new plant support equipment at auction," said Joel Bersh, partner and executive vice president of PPL. "The assets are top nuclear-grade quality ranging from generators, copper cable, variable frequency drives, air conditioning units, and compressors."

Interested buyers can view all assets available from Savannah River on www.pplauctions.com. For further questions, please contact buyer support at 224-927-5320 or sales@pplgroupllc.com.

About PPL

PPL is a private equity firm which uses its capital to help commercial and industrial businesses in transition. We have worked with many large corporations and hundreds of small to middle-market businesses – across a broad range of industries - during change, turnaround, restructuring, and bankruptcy situations.

Collectively, PPL's asset monetization professionals have been buying and selling industrial machinery and equipment for more than 100 years. We buy assets outright, guarantee minimum prices, and also conduct auctions on a commission basis.

We know that every situation is different, and we approach each one with a flexible and creative mindset. We give every transaction our complete attention and tailor our efforts to the client's specific goals and challenges. We think critically and can help buyers and sellers adapt to an ever-changing business climate.

Visit us at www.pplgroupllc.com.

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