



13740

JOSH STEPHENSON/JOURNAL

U.S. Energy Secretary Spencer Abraham, center, answers questions Thursday at Santa Fe Indian School with Sen. Pete Domenici, R-N.M., right. Both said they are concerned about allegations of fraud, theft and cover-up at Los Alamos National Laboratory.

# DOE Grills Lab on Fraud

## University Contract Being Questioned

BY ADAM RANKIN  
*Journal Northern Bureau*

SANTA FE — Secretary of Energy Spencer Abraham and Sen. Pete Domenici, R-N.M., said Thursday in Santa Fe they have serious concerns about allegations of fraud, theft and a management cover-up at Los Alamos National Laboratory.

Abraham said the DOE pays the University of California to operate LANL and "we expect them to do it the right way."

When asked about the impact the allegations could have on contract negotiations with UC, Domenici said, "Clearly, what I am hearing about does not bode well for the management of this laboratory."

The university's contract to run LANL is up for renewal in 2005.

Domenici, a longtime supporter of LANL, is in line to replace Sen. Jeff Bingaman, D-N.M., in January as chairman of the Senate Energy and Natural Resources Committee, which has broad investigatory and oversight powers of DOE and its contractors.

LANL is already the subject of a number of investigations by outside agencies, including the FBI, the House Energy and Commerce Committee, DOE's Office of the Inspector General and the Senate Finance Committee.

Investigators are looking into allegations that lab employees misused their government purchase cards and that other employees used their authority and lab access to buy at least \$50,000 of unauthorized items, including night-vision binoculars and hunting gear, and store them in top-secret areas.

Included in the allegations is the accusation that senior lab man-

agers actively tried to cover up instances of fraud.

"We made it very clear to them we take all these issues very seriously," Abraham said.

Abraham said he asked John Browne, the director of LANL, to list all the actions he has taken to fix management and security problems to date, as well as future actions he plans to take and when.

He said he would be meeting with Browne and other LANL managers and university officials before leaving New Mexico.

"We are looking to the University of California to provide leadership," he said. "We made it very clear to them that they are responsible."

Abraham and Domenici spoke briefly about LANL after conducting a news conference at the Santa Fe Indian School to announce the

See ABRAHAM on PAGE A2

By JIM LUDWICK  
*Journal Staff Writer*

Oil change, lube and filter 1  
That's what it costs for gov  
a city of Albuquerque garag  
has one councilor saying the  
the work to the private secto

A six-month study shows 1  
tive when it comes to handlin  
it cost an average of \$87.20 f  
lube, oil and filter work, wh  
by some basic inspections. M  
cles were sent to private dea  
age cost of \$36.54 for the w  
prices would be available i  
said Councilor Greg Payne.

He said the difference is 1  
costs, including the amount  
handle the work. "We take m  
paying our people more," Pa

The report is under dis  
administration, said Irene G  
financial officer. A meeting  
held Thursday afternoon.

"We're always looking f  
save money," she said.

Garcia said she will recor  
try to improve its in-house  
tions before farming out t  
companies.

John Soladay, fleet manag  
should first try to find ways  
its in-house maintenance.

Payne isn't inclined to w  
lube, oil and filter work wo  
would not need to involve la  
are plenty of other repairs  
handle, he said.

See CITY OIL CH

ay, Richard Wagner, a phar  
macist at Lobo Campus Phar  
macy on Central, said demand  
is bound to rise during Albu  
querque's typical mid-March to  
mid-September allergy season.

When the sneezing starts  
next spring, most Claritin users  
will find the drug more expen  
sive — but available without a  
visit to their physician.

A package of 20 tablets at  
Walgreens was \$18.99 over the  
counter.

That's about a third of the  
cost of the medication as a pre  
scription drug.

But insured consumers only  
paid the health plan's co-pay —  
which usually was \$10 to \$20  
for 30 tablets.

"If you are paying cash,  
you'll definitely find the over  
the-counter version less expen  
sive," said Michael Polzin,  
spokesman for Deerfield, Ill.-  
based Walgreens Drug Stores.

"The over-the-counter ver  
sion could be more or less  
expensive than the prescrip  
tion version depending on your  
co-pay," Polzin said.

Three major New Mexico  
commercial health plans will  
stop paying for Claritin now  
that it is no longer a prescrip  
tion drug, their representatives  
said Thursday.

See CLARITIN on PAGE A2

Shop Monday-Friday 9:30-9:30, Saturday 9-9:30 and Sun  
In Albuquerque: Winrock Center and Cottonwood Ma  
We welcome your Dillard's Credit Card, The American Express® Card, Diners Club

Every Day! merchandise

●●● FRIDAY, DECEMBER 13, 2002

ounter



DAVID ROCHKIND/JOURNAL

**Campus Pharmacy on Central,  
counter Claritin.**

month and the prospect of  
both generic and non-prescription competition, Schering-Plough backed down.

The Associated Press contributed  
to this report.

# Abraham Grills Lab

from PAGE A1

transfer of more than 2,200 acres of DOE land to Los Alamos County and San Ildefonso Pueblo.

A senior DOE official in attendance at the news conference said that if the University of California can't take care of longstanding security and man-

agement issues at LANL, then DOE will look elsewhere.

"The University of California runs the lab with our federal money and they have a job to do, so when they find problems they need to fix them," said the official. "If they can't do it, we'll find someone else to do it."

## Ongoing inquiries

The following is a list of recent or ongoing investigations and reviews of procurement and property control problems at Los Alamos National Laboratory:

- An "external audit team" commissioned by lab director John Browne and headed by John Layton, former U.S. Department of Energy inspector general, has been looking into problems with the lab's "purchase card" procurement system since last summer.

- The FBI, in search warrants, has detailed its investigation of two high-paid lab employees, Peter Bussolini and Scott Alexander, for at least \$50,000 in questionable purchases — of upscale barbecue grills, hunting equipment, truck parts, televisions and many other items — acquired with lab funds from an Albuquerque vendor with a LANL contract.

- The Department of Energy's Office of Inspector General has sent a team to Los Alamos to investigate the lab's purchasing and property control systems and allegations that lab manage-

ment has covered up improprieties or hampered investigations.

- The University of California sent an auditing team to Los Alamos for a one-day review last month, and the university recently issued a list of findings and recommendations for improvements at LANL.

- U.S. House of Representatives investigators have asked for numerous records and intend to come to Los Alamos to investigate allegations of illegal procurement practices and LANL's recent firings of Glenn Walp and Steven Doran, two investigators hired by the lab earlier this year who were looking into missing property and theft allegations.

- U.S. Sen. Charles Grassley, R-Iowa, has asked the Senate Finance Committee to review allegations of purchase card misuses at LANL. A U.S. Secret Service agent detailed to the committee is investigating.

→ JOURNAL STAFF REPORT

## Feds Say

id vating factors: that Smith  
re "abused a position of public or  
d- private trust ... that significant-  
it- ly facilitated the commission or  
u- concealment of the offense."  
Hollander was unavailable