

Holtec: Criminality, Corruption, Incompetence, and Inexperience

The administrations of Michigan Governor Gretchen Whitmer, and President Biden, are fine with enriching Holtec International to the tune of more than \$15 billion, in taxpayer (state and federal) and ratepayer bailouts, subsidies, grants, surcharges, and giveaways. But does Holtec's track record justify entrusting the company with the keys to the treasury?!

Holtec has engaged in criminality, namely, serial bribery, as well as lies under oath. Holtec and its CEO Krishna Singh were implicated in a bribery conviction in Alabama. Holtec bribed a Tennessee Valley Authority official at the Browns Ferry nuclear power plant, in order to secure a radioactive waste management contract. Once found out, TVA banned Holtec from doing business with it, a quasi-federal agency, for 60 days, and fined Holtec \$2 million. But then Holtec lied about it under oath, on a successful application for a \$260 million tax break in New Jersey. The NJ AG has appealed to the state Supreme Court, attempting to recover the ill-gotten funds. The AG has also fined Holtec \$5 million for a separate financial fraud, a second lie on a similar tax break application, and has placed independent third party probationary supervision on Holtec for three years to oversee its future interactions with the state on tax break bids.

Industry and Nuclear Regulatory Commission whistleblowers, alleging widespread quality assurance violations in the fabrication of Holtec containers for high-level radioactive waste, have reported Singh attempted to bribe them as well, offering jobs at the company to buy their silence. They refused the offer, even though Singh said they could name their salaries. The whistleblowers questioned the structural integrity of Holtec storage and transport containers used across the country. When these whistleblower allegations were raised at the April 1, 2017 press conference on Capitol Hill where Holtec announced its application to open a high-level radioactive waste dump in New Mexico, Singh, instead of addressing the technical merits of the question about the allegations, instead launched an ad hominem attack on the industry whistleblower — who had already passed on a decade earlier!

Holtec took over the closed Palisades and Big Rock Point nuclear power plant sites on west Michigan's Lake Michigan shore, saying it would decommission the former. But one week after taking ownership, Holtec pulled a bait and switch trick, secretly applying to the Department of Energy for billions of dollars in bailouts to restart Palisades instead. Holtec has also proposed building multiple, heavily subsidized "Small Modular Reactors" at both sites.

At its Oyster Creek, New Jersey nuclear decommissioning project, Holtec violated local zoning laws, and doused and dosed a worker with radioactive water during a high-level radioactive waste transfer. It also rammed a power pole, disrupting power to 30,000 Jersey Shore residents. As in MI, Holtec also pulled its SMR con job in NJ as well.

At the San Onofre nuclear power plant in southern California, Holtec's bad structural and operational design for high-level radioactive waste dry cask storage led to the near drop of a 50-ton, fully loaded container into an 18-foot deep pit, risking breach and release of hazardous contents. The incident was revealed by a whistleblower who was then fired.

At Diablo Canyon nuclear plant in central California, Pacific Gas & Electric chose to terminate its high-level radioactive waste dry cask storage contract with Holtec in favor of going forward with another company. Holtec responded by issuing a written, ad hominem attack on PG&E.

At Chernobyl, Ukraine, Holtec effectively abandoned its post, failing for many long years to transfer high-level radioactive wastes from vulnerable indoor wet storage pools, to safer dry cask storage. This left the wastes extremely vulnerable to overheating and even catching fire when the Russian military seized the site in 2022.

At Pilgrim, Massachusetts, when Holtec threatened to dump radioactive wastewater in Cape Cod Bay, a groundswell of grassroots opposition blocked them. Secretly, Holtec began evaporating the tritium-contaminated water instead. So local residents were exposed to potentially hazardous radioactive inhalation doses, without their consent, instead of eating contaminated seafood, against their will. Storing the wastewater for just 123 years would have ended the hazard.

At Indian Point NY, Pilgrim MA, Oyster Creek NJ, and Palisades MI, Holtec has been caught misspending hundreds of thousands of dollars of ratepayer Decommissioning Trust Fund (DTF) for public relations purposes. But this may be only the

tip of the iceberg.

At Palisades, Holtec spent \$44 million from the DTF in just the first six months, nearly 10% of the entire Fund. But it simultaneously admitted it had performed very little to no decommissioning work, nor spent nuclear fuel management or site restoration — non-decommissioning expenditures from the DTF that NRC has irresponsibly approved. Watchdogs Beyond Nuclear and Don't Waste Michigan have alleged the DTF money has been used, illegally, on the restart scheme. NRC has claimed to investigate, but found no wrongdoing. The question remains, what *has* Holtec spent the DTF money on, then, if not the restart scheme?!

Holtec was caught transporting radioactive decommissioning equipment from one nuclear power plant to another that emitted radioactivity at dose rates above permissible levels, putting anyone who came too close at increased health risk. And yet Holtec asks to be trusted to not ship leaking or externally contaminated containers of high-level radioactive waste across the country to its proposed dump in New Mexico.

Holtec has violated consent-based siting, and Environmental Justice, in New Mexico since March 2017, by forcing its dump proposal on unwilling local Latinx and Indigenous majority populations and neighboring businesses, and, for several long years, against the will of the state government. The environmental injustice extends nationally, along transport routes. Holtec has continued to push its dump, despite the state passing a law prohibiting it in March 2023.

Holtec's fired Chief Financial Officer, Kevin O'Rourke, has filed a whistleblower protection lawsuit in New Jersey. He alleges that Holtec pressured him to inflate revenues by more than a billion dollars, to attract major investors. This included concealing \$750 million in projected losses during the first five years at Holtec's dump in New Mexico, and assuming \$100 million per year in revenues at a new business division that had not yet even begun operations.

Holtec proposes to restart the closed Palisades reactor, even though it has zero experience operating any reactor, let alone a severely age-degraded, long problem-plagued one. Perhaps this is why Holtec has failed to properly maintain safety-significant systems, structures, and components at Palisades since taking ownership in 2022, such as the steam generators, pumps, valves, and turbine-generator. This has made risks of the unprecedented restart even more extreme.

Holtec also proposes to build and operate multiple SMRs, as at Palisades and Big Rock Point, both on Michigan's Lake Michigan shore. But Holtec has zero experience building reactors, let alone operating them.

In an interview with a business media outlet, Singh gratuitously blurted racist insults against his own Puerto Rican and African American workforce in Camden, New Jersey. He said they had no work ethic, because their parents lacked it too. In addition to laziness, Singh accused his workers of color of drug addiction. This led to protests at Holtec's front entrance by the likes of the NAACP.

For more information on Holtec's misdeeds, see Beyond Nuclear's annotated bibliography entitled "Radioactive Skeletons in Holtec's Closet," and Nancy Vann of Safe Energy Rights Group's Holtec "rap sheet": <<https://beyondnuclear.org/the-rap-on-holtec/>>.

*Prepared by Kevin Kamps, radioactive waste specialist at Beyond Nuclear, March 20, 2024,
kevin@beyondnuclear.org, (240) 462-3216, www.beyondnuclear.org*