

Federal budget plan bodes well for region

Obama proposal allocates funds for border, air base



Drones such as this Reaper, shown in an Air Force training exercise in Nevada, could someday be controlled from Niagara Falls Air Reserve Station as its mission is transformed. President Obama's budget proposal has \$7.7 million for building for that purpose. File photos by U.S. Air Force

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President Obama's 2016 budget proposal may be a nonstarter in Congress, but in good start toward fixing a broken customs system at the northern border and Niagara Falls Air Reserve Station for years to come.



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That's the takeaway that local lawmakers had from Obama's \$4 trillion spending plan, which will be rewritten by a Republican-controlled Congress that still may endorse the border improvements and the air base funding.

Despite the budget plan's dim overall political prospects, Rep. Brian Higgins, D-Buffalo, said the budget's inclusion of \$85 million for better border technology could serve as a start toward solving problems highlighted in an article Tuesday in The Buffalo News. The story showed that truck traffic entering the United States from Canada proceeded more slowly because of outdated technology.

Rep. Chris Collins, R-Clarence, noted that \$7.7 million in new funding for the drone-control mission at the air base was just one more reason that the base's future is probably secure even though the president asked Congress for another round of base closures.

Otherwise, the budget proposal was less than a blessing for Western New York, as the president proposed a cut in funding for the Great Lakes and several other programs that have a big impact in Western New York.

Perhaps most notable, though, was the \$85 million for improved technology at the nation's border crossings, which includes large-scale X-ray and gamma ray imaging systems, radiation-detection equipment, small-scale baggage X-ray systems and portable inspection devices.

The call for more funding for such border technology came on the same day The News reported that a preclearance pilot project at the Peace Bridge revealed that Customs and Border Protection uses outdated X-ray and radiation-detection equipment as well as slow Internet connections as it processes trucks entering the United States from Canada.

In other words, another \$85 million could be the first step toward a problem solved at the border, Higgins said.

“It’s not nearly as far as it needs to go,” said Higgins, a member of the House Homeland Security Committee. “But it gives us a basis from which we can work.”

In addition, the budget calls for the hiring of 2,300 new customs agents, although it does not say where they would be stationed.

Sen. Charles E. Schumer, D-N.Y., said, “Improving radiation-detection technology at the border is a worthwhile goal, and I will push during the upcoming appropriations process to secure as much of this funding as possible for the Peace Bridge. We must do all we can to improve safety and efficiency at our border crossing, including instituting a permanent preclearance system and upgrading our technology.”

The news in the Obama budget proposal was equally good for the Niagara Falls air base, given that the Air National Guard’s 107th Airlift Wing was set to receive another \$7.7 million for construction of a new building to house its new drone-control mission.

Between that funding, and the millions previously allocated to the 914th Airlift Wing for a simulator facility, local members of Congress said the future looks bright for the air base. “This investment is an important step for the 107th Airlift Wing’s transition to a UAV (unmanned aerial vehicle) mission and reinforces the Niagara Falls Air Reserve Station’s critical importance to our military,” said Sen. Kirsten E. Gillibrand, D-N.Y., who serves on the Senate Armed Services Committee.

Schumer agreed, saying: “This investment would significantly strengthen NFARS and make it a more attractive location for upcoming Air Force missions, which is the most important thing we can do to ensure the base’s long-term future.”

That’s important because the budget also calls for a new round of base closures in 2017. The Niagara Military Affairs Council successfully fought off two previous efforts to close the base, but Collins said all the funding that local members of Congress – including Rep. Louise M. Slaughter, D-Fairport, and former Rep. Kathy Hochul, D-Buffalo – won for the base had secured its long-term future.

“From Slaughter to Hochul to Higgins to Collins to Schumer to Gillibrand, I think we’ve made that base BRAC-proof,” Collins said, using the acronym commonly used for base-closure commissions.

In other line items of note to Western New York, the Obama budget proposal would:

- Cut the Great Lakes programs by \$50 million, to \$250 million. But Todd Ambs, campaign director for the Healing Our Waters-Great Lakes Coalition, noted that Congress restored full funding for the programs last year despite Obama’s call for a cut.
- Allocate \$3.2 billion – down by \$200 million – for the Low Income Home Energy Assistance program, which Congress typically fully funds after the president suggests cuts.
- Decrease the Community Development Block Grant program by \$200 million, bringing funding for the effort – which brings millions to the City of Buffalo annually – to \$2.8 billion.
- **Keep funding for the West Valley Demonstration Project steady at \$59 million.**
- Spend \$1.74 million for operation and maintenance of the Black Rock Channel and Tonawanda Harbor, and \$320,000 for maintenance of Buffalo Harbor.

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Former Hanford executive reflects on ordeal of timecard fraud accusations

BY ANNETTE CARY

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On the day that Ryan Dodd was indicted on 34 felony counts related to timecard fraud at the Hanford nuclear reservation, the accountant in his nature took over.

The Hanford executive, whom friends sometimes called “the Boy Scout” for his straight-arrow ways, took the paperwork out to his back porch and created a spreadsheet to add up the possible penalties — he was looking at up to 400 years in prison and \$25 million in fines.

More than 20 months later in December 2014, the U.S. Department of Justice dropped all criminal charges against Dodd in a plea deal. He agreed to pay a civil fine of \$44,000.

“I call it extortion,” he said.

Dodd denied knowledge of timecard fraud. He believed reasonable management procedures were in place to deter and detect such fraud, according to the settlement agreement.

Agreeing to pay the fine put an end to an ordeal that had the potential to consume his and his family’s lives for years to come.

His criminal trial was scheduled for this month, and prosecutors threatened to file civil lawsuits after the criminal cases were done, he said.

“It was horrible,” said his wife, Leslie.

His employer, CH2M Hill, placed him on administrative leave after the indictment. He spent his days working on his defense, poring over millions of pages of documents released by prosecutors.

He was accused of participating in a conspiracy to pay workers with federal tax dollars for hours they were not at work — that he knew or should have known that hourly workers were not putting in the hours they claimed on their timecards.

Dodd found “not one email, not one piece of evidence” to show he conspired in the fraud, he said. Nor did he see convincing evidence to implicate the other nine managers and supervisors indicted with him.

The Department of Justice contends fraud under CH2M Hill Hanford Group, the former Hanford tank farm contractor, was widespread and widely known.

Overtime was called out in eight-hour shifts to induce workers to volunteer, but the work would often be completed much sooner. Workers would go home but claim the full eight hours, according to court documents.

Dodd concedes there were bad apples and the Department of Justice has convincing evidence that some hourly workers cheated.

But he contends it was not the widespread conspiracy that CH2M Hill admitted to in an agreement in February 2013. The company paid \$18.5 million to the federal government to settle civil and criminal allegations.

The Department of Justice declined to discuss the case with the Herald, but said in the settlement agreement it believed Dodd knew the U.S. government was being asked to pay for overtime that was not worked and that the alleged conspiracy helped him to win corporate bonuses.

The prosecution made its case public when it filed indictments against the 10 CH2M Hill upper managers and supervisors. Dodd was the most senior on the list.

But Dodd waited to make his case and clear his name at a trial that never happened.

"From 2011 until today I haven't been able to say a thing," Dodd said during a recent interview at his Richland home. "I could not stand up to the accusations against me and the other defendants."

Promising career interrupted

Dodd was interviewed by investigators in 2010, two years after the CH2M Hill contract to manage the tank farms expired. He had been a vice president at the tank farms and moved on to work in upper management for another Hanford prime contractor, Washington Closure Hanford.

"I did not really have anything to say," he said. "I thought that was the end of it."

His career was on the rise. He won a coveted promotion when CH2M Hill won a new Department of Energy contract in 2011 to decommission the **West Valley Demonstration Project** in western New York. He was named to head the project.

But just weeks after CH2M Hill took over the project, Dodd received a call from one of the company's corporate attorneys. The Department of Justice was going to serve him with a letter related to the timecard fraud investigation, he was told.

He took time off from the New York project, expecting to return to work in a few months.

Instead, he and Leslie left New York three months later with one hastily packed box. An estate sale was held for the rest of their belongings as they returned to the house they had kept in the Tri-Cities.

The family has close ties to the Tri-Cities. Both Ryan and Leslie were born at Kadlec hospital and graduated from Richland High.

CH2M Hill and Dodd agreed it was best for the **West Valley** project for him to leave, believing he would become a distraction, or that other negative publicity would reflect on the project and its workers, he said. There were fears that federal agents could show up at the work site and haul him off in handcuffs.

He also had come to realize there was no end in sight to his legal troubles, and he was having trouble putting together a defense in New York for a case on the other side of the nation.

For a time he worked in project management in CH2M Hill's Richland office.

That ended in March 2013 when he was indicted along with nine other CH2M Hill Hanford Group upper managers and supervisors.

Two would reach deals with prosecutors and plead guilty. A jury found the first group of four to go to trial innocent on all counts in October 2014.

Shortly after the jury verdict, plea deals were struck for the remaining defendants, dropping all criminal charges in exchange for civil fines of \$5,500 to \$44,000 each.

Prosecutors: Dodd should have known

The Department of Justice apparently was relying on two lines of evidence to connect Dodd to the timecard fraud, based on court documents filed in the case.

The first was a CH2M Hill internal audit in 2004, looking for evidence of significant overtime timecard fraud and the controls in place to prevent it.

The audit did not find evidence of significant abuse or any questionable costs, based on a small sample of workers. But it said controls were weak and raised suspicions that a few workers in the small sample observed as part of the investigation may have left work while they were still on the clock.

Dodd was one of about 30 people sent a copy of the audit report in 2004, including officials at CH2M Hill, the Department of Energy and the DOE Office of Inspector General.

A committee was formed to increase controls over timecards, but little came of the effort. Dodd, one of several vice presidents, was not named to the committee.

Dodd's attorney, Kevin Curtis, said there could be 25 audits a year by CH2M Hill, DOE and other agencies. Vice presidents like Dodd, or their assistants who sorted through their email, might see notices weekly on audits that were upcoming, finishing or had exit interviews scheduled.

"Audits were commonplace," Curtis said.

The Department of Justice also appeared prepared to tie Dodd to the alleged conspiracy through his friendships with other indicted officials and phone calls.

The key incident in the case happened during a 2008 bridal shower for one of Dodd's daughters at the family's Richland home. He did not attend the all-female gathering.

Glenda Davis, a CH2M Hill supervisor who would be indicted and eventually plead guilty, provided the cake for the wedding reception and was at the shower with samples for the guests. Also there was Leslie Dodd's good friend Stephanie Livesey, another CH2M Hill supervisor who would be indicted and plead innocent.

During the party, Davis received an anonymous text that some of her employees had left work mid-shift. She left the shower to investigate.

A federal investigation was launched after that anonymous text. The cars of some tank farm workers were tracked with global positioning systems to show they were leaving Hanford and driving home during hours they claimed to be working.

At the time, Dodd was responsible for operations at the Hanford single-shell tanks. None of those workers tracked with GPS, nor Davis, were assigned to the work he managed at a high level, he said.

However, at other times some of the workers were in his organization at CH2M Hill, but were five or six levels below him, rather than under his direct supervision.

Investigators tied Dodd to the anonymous text incident through phone records. They had records of texts between Davis and Livesey and also between Livesey and one of the Dodd's phones after the incident, although the content of the texts was not saved.

Prosecutors maintained that Livesey was texting to a corporate phone assigned to Dodd.

But Livesey's attorney, Bob Thompson, said Livesey's own list of phone numbers seized by investigators shows the phone was the one she routinely used to chat with Leslie Dodd.

Davis also allegedly discussed the incident with Ryan Dodd and he told her she had handled it correctly, including driving back to Hanford to see if employees were working and telling them to fill out their timecards accurately.

Employees returned to claiming eight hours pay for shorter shifts after the incident, the Department of Justice said in court documents.

Dodd says it is possible Davis told him about the incident and how she handled it. But it would have been a casual conversation since she was not under his chain of command and he does not remember it.

The government argued that Dodd knew or should have known that fraud was occurring and had a duty to report it.

But by that logic, so should hundreds of others, including DOE officials, who were aware of the same audit and other information, Curtis said.

Dodd: Motive makes no sense

Prosecutors said CH2M Hill needed to entice employees to work overtime, which was voluntary under a union agreement, to complete projects tied to incentive payments.

But many workers would not accept overtime shifts unless they were called out in eight-hour blocks, according to court documents.

For CH2M Hill to get the work done, earning incentive pay and bonuses for its employees, officials were willing to accept the practice and let DOE cover the costs, prosecutors said.

But Dodd said that alleged motive makes no sense.

Much of the documented timecard fraud was for projects involving routine checks of radiation levels, on which employees often worked without supervision and were taken on their word for how many hours they worked.

Studies had been done to show how long work should take, with enough tasks assigned to last eight hours, Curtis said.

CH2M Hill had no pay incentives tied to routine work, Dodd said. The incentives were largely for work DOE was required to complete by deadlines set in legal agreements.

The budget for tank farm work was limited and more money spent on routine work meant that less money was available to do the work that could earn CH2M Hill incentive pay, he said.

Dodd was tied to the case early on, with the CH2M Hill settlement agreement calling him out as an upper manager who had knowledge of timecard fraud and ratified it in connection with the incident of Davis' anonymous text during the bridal shower.

CH2M Hill's payment of the \$18.5 million amounted to a business decision, Thompson said. It's a lot of money until compared to the value of the company's Hanford work.

After holding the tank farm contract until it expired in 2008, it won a \$4.5 billion contract for central Hanford cleanup.

The settlement would have ensured that CH2M Hill keep the work it had at Hanford, he said.

Before the indictments against the 10 top managers and supervisors, nine radiation control technicians pleaded guilty to timecard fraud. That brings the total to 11 cases with guilty pleas.

Dodd believes some of them were innocent, but understands the pressure defendants were under to plead guilty.

"I have no faith they weren't coerced," he said. "I saw the tactics that were used."

The pressure started with dozens of indictments filed against some defendants, although it would be unlikely that many would go forward. Some charges against Dodd were dropped as the case progressed.

There also was a sense that the case would go on indefinitely, the Dodds said.

Not only was a possible civil case looming no matter the outcome of the criminal trial, but the prosecution had successfully argued that the statute of limitations was suspended for cases accusing monetary fraud against the federal government because the nation was at war in Afghanistan.

Looking for a new job

Dodd remains disappointed that the case "feels like a big black mark" on the accomplishments and hard work of employees at the Hanford tank farm under CH2M Hill from 1999 to 2008.

Radioactive liquids were pumped from Hanford's 149 leak-prone underground tanks and solids removed from the first seven tanks.

"The accusations made by the Department of Justice really point to the entire company and the entire Hanford site," he said. "For the hundreds of people who show up every day and work really hard at the Hanford site to achieve important cleanup goals, it is not fair to be painted this way."

Dodd went back to work Jan. 12, looking forward to his next assignment. Instead, little more than a week later CH2M Hill laid him off.

He's looking for work now. He hopes his stellar reputation before the timecard fraud investigation — as well as experience and education in engineering, business and accounting — will land him a job soon.

"I'm very anxious to get back to work and to be contributing to the success of a new project," he said.

As unpleasant as his legal experience was, he also learned from it, he said.

He spent time reflecting on project controls and management systems, he said. He does not believe any of them would have eliminated timecard issues at Hanford, but he sees some positives and negatives that will be useful in future jobs.

Both the Dodds still are getting used to life without criminal charges hanging over their heads.

"I always had in my mind 'would Ryan go to prison?'" Leslie Dodd said.

They threw a party recently to celebrate with friends and family who had stood by them — no texting allowed, she joked.

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