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ONE HUNDRED TENTH CONGRESS

U.S. House of Representatives
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Washington, DC 20515-6115

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April 24, 2008

DENNIS B. FITZGIBBONS, CHIEF OF STAFF
GREGG A. ROTHSCHILD, CHIEF COUNSEL

The Honorable David R. Hill
General Counsel
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Mr. Hill:

This letter is a request for copies of all records relating to any ethics or conflicts of interest issues in connection with the nomination of Dennis Spurgeon, the Assistant Secretary for the Office of Nuclear Energy, of the U.S. Department of Energy (DOE).

This request follows Mr. Spurgeon's recent testimony at an April 3, 2008, hearing before the Subcommittee on Oversight and Investigations entitled, "Selling the Department of Energy's Depleted Uranium Stockpile: Opportunities and Challenges." At this hearing, Mr. Spurgeon testified under oath about the \$5.7 million in severance payments he received after a brief tenure of approximately 2 years with the United States Enrichment Corporation (USEC), and his opinion that he was under no legal or ethical obligation to recuse himself from dealings with his prior employer and colleagues. In doing so, he referenced his April 6, 2006, recusal statement, which contains no restrictions as a Federal employee on his dealings with USEC.

Questions were raised about his non-recusal because of documents uncovered by the Committee's investigation show that in October 2006 Mr. Spurgeon repeatedly pressed other DOE officials to give serious attention to a \$9.5 billion sole source contract proposal submitted by USEC, in combination with Energy Solutions. Given his past advocacy for USEC's interests within DOE, questions were also raised at the hearing about whether it was appropriate for Mr. Spurgeon to participate in decisions that could directly benefit USEC, such as the decision whether to auction depleted uranium or award USEC a sole source contract to re-enrich DOE's depleted uranium. Further questions were posed by the Subcommittee about whether his involvement with the terms of a sole source contract could benefit USEC's executives with whom Mr. Spurgeon previously worked.

In response, Mr. Spurgeon stated, “[M]y former employment and any restrictions on what I can do was thoroughly vetted at the time prior to my nomination.”

Accordingly, the Committee requests DOE evaluations or opinions about Mr. Spurgeon’s impartiality. We note that he received a tenure-adjusted separation package of \$2.3 million/year of service which, as the attached chart indicates, is larger than all other senior executive severance payments made by USEC over the past 10 years, and dwarfs the rate of severance for other USEC executives in similar positions.

Under Rules X and XI of the Rules of the U.S. House of Representatives, please provide the following information within 10 days of receipt of this letter:

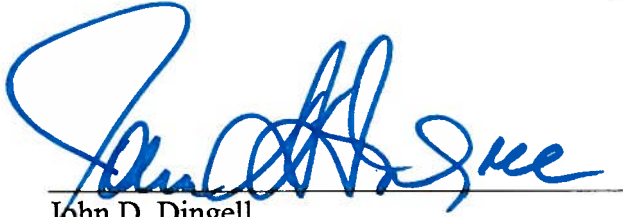
1. All correspondence in connection with the nomination of Mr. Spurgeon.
2. Legal opinions or memoranda pertaining to or otherwise supporting the Recusal Statement signed by Mr. Spurgeon on April 6, 2006.
3. Ethics reviews regarding Mr. Spurgeon’s involvement with matters pertaining to former employers including, but not limited to, USEC, Inc.
4. Assessments of whether USEC’s \$5.7 million payment to Mr. Spurgeon was disproportionately large, and whether this is relevant to analyzing his recusal statement and ensuring there is no potential for this lavish payment to affect his impartiality or the appearance of impartiality.
5. Mr. Spurgeon’s financial disclosure statements.
6. All documents, letters, memoranda, e-mails, and communications exchanged between the Department, the White House, Mr. Spurgeon, and/or USEC, Inc., pertaining to his employment at USEC.

This letter follows a discussion with Susan F. Beard, Ethics Officer in the Office of General Counsel, who indicated a written request would be required for this information.

If you need further information, please contact John Sopko or Richard Miller with the Committee staff at (202) 226-2424.

The Honorable David R. Hill
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Sincerely,



John D. Dingell
Chairman



Bart Stupak
Chairman
Subcommittee on Oversight and Investigations

Attachment

cc: The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

The Honorable John Shimkus, Ranking Member
Subcommittee on Oversight and Investigations

Susan F. Beard, Ethics Officer, Office of General Counsel
United States Department of Energy

USEC Executive Severance Payments (1998-2008)

Name	Title	Dates		Severance	Years Employed	Severance in \$/year
		Employed	Employed			
Dennis R. Spurgeon	Exec. VP and COO	6/4/01 - 11/30/03		\$5,729,770	2.5	\$2,291,908
William H. Timbers, Jr.	CEO 1994-2004	1994 - 12/04		\$14,800,000	10.0	\$1,480,000
Lisa E. Gordon-Hagerty	Exec VP & COO	12/15/03 - 9/30/05		\$1,158,336	1.8	\$643,520
Timothy B. Hansen	Senior VP	8/2/02 - 12/1/04		\$1,215,648	2.3	\$521,737
Henry Z Shelton, Jr.	VP & CFO	1993 - 12/9/03		\$3,334,317	10.0	\$333,432
James F. McDonald	VP and Chief Information and Security Officer	06/04 - 9/23/05		\$376,411	1.3	\$301,129
Timothy B. Hansen	General Counsel/ Senior VP	1994 - 12/1/04		\$1,215,648	10.0	\$121,565
Sydney M. Ferguson	Senior VP	4/02 - 9/24/04		\$100,000	2.4	\$41,667
Charles B. Yulish	VP Corporate Communications	1995 - 9/23/05		\$345,633	10.0	\$34,563

Source: SEC def 14A Proxy Statements 1998-2006 (for Spurgeon, Hansen, Shelton, Gordon Hagerty);
SEC 2005 10-K filings (for Timbers- amount constitutes arbitration settlement and includes
\$300,000 in loan forgiveness); SEC Sept. 21, 2004 8-K filings (for Ferguson); SEC Sept. 7,
2005 8-K filings (for Yulish and McDonald)