

November 7, 2012

Department of Justice
United States Attorney William C. Killian Eastern
District of Tennessee

**Federal Jury Convicts Former Shaw Group Safety
Manager Of Major Fraud Against The United States**
***Injuries Hidden at TVA Nuclear Sites to Obtain Over
\$2.5 Million in Safety Bonuses***

CHATTANOOGA, Tenn. - Following a 12-day trial in U.S. District Court, a jury convicted Walter Cardin, 55, of Metairie, La., of eight counts of major fraud against the United States.

Sentencing is set for 2:00 p.m., Feb. 21, 2013, in U.S. District Court in Chattanooga: Cardin faces a sentence of up to 10 years in prison and a fine of up to \$1,000,0000 for each offense.

The jury heard evidence that Cardin, as safety manager for the Shaw Group (formerly Stone & Webster Construction), at Tennessee Valley Authority's (TVA) Brown's Ferry Nuclear Site in Athens, Ala., provided false and misleading information about injuries at that facility as well at TVA's Sequoyah Nuclear Site in Soddy Daisy, Tenn., and TVA's Watts Bar Nuclear Site near Spring City, Tenn. The Shaw Group had a contract with TVA to provide maintenance and modifications to the three facilities and to provide construction for the Brown's Ferry Unit Number 1 reactor restart. Cardin was convicted of generating false injury rates which were used by the Shaw Group to collect safety bonuses worth over \$2.5 million from TVA. He was also convicted of providing the false numbers at the three plants in 2004 and 2005, and at the Brown's Ferry and Sequoyah plants in 2006. The jury heard evidence of over 80 injuries, including broken bones, torn ligaments, hernias, lacerations, and shoulder, back, and knee injuries were not properly recorded by Cardin. As part of a civil agreement filed with the United States in 2008, the Shaw Group paid back twice the amount of the ill-gotten safety bonuses.

"These convictions will put all Tennessee Valley Authority contractors on notice that criminal violations to maximize profits with TVA will not be tolerated in the Eastern District of Tennessee," said U.S. Attorney Bill Killian.

The case was investigated by the TVA-Office of Inspector General. Assistant U.S. Attorneys Perry H. Piper and Gregg L. Sullivan represented the United States at trial.