

OFFICE OF THE INSPECTOR GENERAL
U.S. Nuclear Regulatory Commission

September 1, 2009

MEMORANDUM TO:

File 07-063

(b)(7)c

FROM:

(b)(7)c

SUBJECT:

Coordination with AUSA Stephen Dunne

On September 1, 2009, [redacted] spoke with Stephen Dunne, AUSA, Southern Division, State of Maryland, to discuss additional facts developed in the above referenced case. OIG informed Dunne of information developed as part of its administrative investigation into allegations of potential conflicts of interest by former Commissioner Merrifield. OIG briefed Dunne that Merrifield had also voted on a 2005 SECY that allowed the Shaw Group and its affiliates to transfer nuclear reactor technology to the People's Republic of China, and according to the SECY paper, Shaw was a member of the Westinghouse Electric-led consortium bidding to build four Westinghouse-designed, AP1000 nuclear power reactors in China. OIG also told Dunne that in October 2006, Shaw purchased a 20 percent share in Westinghouse. Dunne was also advised that Merrifield submitted an amendment to his July 3, 2007, SF Form 278, Public Financial Disclosure, Schedules B and C, to include Travel/Reimbursement Expenses for Shaw and GE, as well as Agreements/Arrangements for employment with Shaw.

Dunne advised that Merrifield had disclosed his knowledge of the relationship between Shaw and Westinghouse during his interview of Merrifield in December 2008. Furthermore, when Merrifield knew about the relationship between these companies was not material to whether "beyond a reasonable doubt" we could prove there was criminal intent to advantage (cause financial gain/benefit) any of the companies impacted by his activities as a government employee. Therefore, this new information does not change his original decision to decline criminal prosecution.

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