

United States Government

Department of Energy

# Memorandum

b6,7(c)

DATE: March 25, 2008  
REPLY TO:  
ATTN OF: IG-43  
SUBJECT: Possible False Statements and Waste of BPA Funds (File No. I08RS026)  
TO: Administrator, Bonneville Power Administration

The Office of Inspector General (OIG) recently received a complaint from Mr. Doug Albright, private citizen, alleging that personnel from the U.S. Army Corps of Engineers (USACE) made false statements to the Bonneville Power Administration (BPA) and wasted BPA funds. These allegations are based on information Mr. Albright obtained from BPA pursuant to his request under the Freedom of Information Act. They are being provided to you for evaluation, appropriate action and response to the OIG. The details of the complaint are as follows.

## False Statements

USACE personnel made false statements to BPA concerning development of a new instrument for index testing of Kaplan Turbines called an Index Test Box (ITB). USACE purchased the ITB from Mr. Albright's company, Actuation Test Equipment Company (ATECo), then reverse-engineered it as their "Gate Blade Optimizer (GBO)," and claimed the GBO design as a USACE creation. The USACE claims convinced the BPA Hydro Optimization Team (HOT) to fund the start-up GBO project. To show development progress, USACE personnel submitted Mr. Albright's ITB output data graphs to HOT as their own work-product.

USACE purchased one of Mr. Albright's ITBs under a contract in 2004 to index test Kaplan Turbines. Mr. Albright delivered the new ITB to the USACE Hydro Design Center (HDC) in early 2005. The ITB was demonstrated successfully on Unit 9 at McNary Dam in December 2005, and again on Unit 3 at Ice Harbor Dam in February 2006. These tests led USACE to conclude that Mr. Albright's ITB met USACE HDC requirements and was ready for unattended turbine testing. In a PowerPoint presentation to HOT on September 12, 2006, however, USACE HDC personnel claimed that the successfully demonstrated ITB was their own intellectual work product, presenting Mr. Albright's ITB output data graphs as their own. The object of these claims was to obtain Federal funds to pursue an internal USACE HDC project to duplicate the ITB test instrument instead of buying the already proven and demonstrated equipment from ATECo.

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### Waste of Funds

USACE has wasted BPA funds attempting to develop an instrument that already exists. The funds are being used to pay for HDC's attempt to design and build a replica of the ITB, renamed the "Gate Blade Optimizer [GBO]," instead of building further upon the ITB itself. This waste of funds also resulted in: 1) a more than two-year delay in utilizing the successful, proof-of-concept ITB; 2) costs in the "hundreds of thousands of dollars" to fund HDC's ITB/GBO knock-off project; 3) "countless millions of dollars" of un-generated electricity resulting from the continuing misalignment of Kaplan Turbine gates and blades that are not being individually index tested; and 4) continuation of the fish mortality problem and associated expenses.

Mr. Albright has allowed the use of his name in connection with this matter. This information is the property of the OIG and should be protected in accordance with provisions set forth in the Privacy Act, Title 5, U.S.C., §552a.

Please provide us with a written response concerning your evaluation of this matter, to include any corrective actions taken or anticipated. As part of its fact gathering effort, the OIG will review the information you provide to determine if further OIG action is warranted. If your response is expected to take longer than 30 days from the date of this memorandum, please notify us within that time to request an extension of the due date.

Please acknowledge receipt of this memorandum by e-mail to [redacted]@hq.doe.gov citing the above case file number.

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If you would like to discuss this matter or need additional information, please contact [redacted] or me at (202) 586-4109.

[redacted]  
Office of Inspections and Special Inquiries