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Task force: Holtec CEO may have been involved, known about fed bribery case

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The chief executive of Holtec International may have been directly involved with or had knowledge of the bribery of a Tennessee Valley Authority official in 2001 and 2002—a move that could have disqualified Holtec from eligibility for its \$260 million tax break from New Jersey, according to the chief counsel for a task force convened by the governor to scrutinize the corporate incentive programs.

Nuclear energy company Holtec, where South Jersey political powerbroker George Norcross is an executive, won the tax breaks in 2015 for moving to Camden. On its application, Chief Executive Officer and President Kris Singh indicated that the company was never barred from doing any work for the federal government. However, following the bribery scandal with TVA employee John Symonds and subsequent investigation by the agency's inspector general, Holtec was issued a 60-day debarment from federal work.

Holtec had a contract with TVA – a federal agency – to construct a storage facility for spent nuclear fuel from the agency's Brown Ferry Nuclear Plant in Alabama, where Symonds was a supervisor.

"Holtec paid \$54,000 to a TVA employee for maintaining or continuing to have its contract," and in addition that employee was promised employment by the corporation, chief counsel Jim Walden said at a Tuesday morning task force hearing.

Symonds ultimately pled guilty to making false statements to the TVA by not disclosing his receipt of the money, and was placed on two

years of probation in addition to a \$5,000 fine. Holtec paid \$2 million in “administrative fees,” Walden said, and agreed to “submit to independent monitoring of its operations for one year.”

That move should have been grounds to reduce or deny Holtec’s awarded tax breaks, Walden said, or “at a very minimum merited additional follow-up questions from the [Economic Development Authority].”

Holtec’s tax break has since been frozen, and the EDA said it is reviewing the incentives, along with those of several other companies tied to Norcross.

Walden said that Singh was not directly identified in most of the TVA’s inspector general records of its investigations into the alleged bribes. But a phone conversation between Symonds and the “redacted individual” lists Singh as the other participant in the conversation, Walden added.

Additionally, Symonds and his spouse set up a sham entity called Krohn Enterprises to receive thousands of dollars in bribes and other payments, according to Walden, with its name combining the “first two letters of the Holtec representative and three letters from Mr. Symonds’ last name.”

Holtec-affiliate U.S. Tool and Die allegedly made two payments of \$50,000 to Krohn, which advertised itself as a security background check company despite, according to Walden, performing no such work.

This “Holtec representative” dangled the prospect of employment to Symonds, and at one point treated the TVA employee and his wife to an “all-expense trip to Philadelphia,” including a “lavish dinner.”

Federal investigators eventually confronted Symonds with the evidence, and he in turn agreed to record a phone conversation with the “Holtec representative” for federal investigators which, according to Walden, the document lists as Singh.

Singh instructed Symonds to report that Krohn and his wife performed services in the area of security and background checks, and that he would stick to the same narrative as well.

“Well you know, U.S. Tool and Die had hired your wife to do security checks and got paid for that, right? She did the retainer work,” Singh said, according to the records of the conversation which Walden read during the Tuesday meeting. “To my knowledge, U.S. Tool and Die had some problems with thefts and stuff, otherwise it was checks they paid for, but you didn’t do any direct business with U.S. Tool and Die.

“You ought to make sure that you tell them that you really haven’t... that you don’t know anything about the fact, other than the fact that your wife was in the business of doing... services, and it was the payment of retainer for that work... it’s a company that you don’t do any business with and you have not.”

When approached after the phone call, Singh told investigators that U.S. Tool and Die did indeed have employee theft problems which warranted the use of the security services, that he had no specific recollection of what he discussed in his conversations with Symonds, and that he did not entertain Symonds with any meals.

The task force, in its June report, highlighted the Holtec situation as an example of a severe lack of oversight by the EDA for the Grow New Jersey program. A Google search by EDA staffers reviewing Holtec’s application would have revealed Holtec’s legal troubles with the TVA, according to the report.

Representatives for Holtec could not be immediately reached for comment.