

Nuclear Watch New Mexico

Defense Dept. Memo Criticizes Cost of Nuclear Weapons Labs While Los Alamos Director's Salary Nearly Triples

***FOR IMMEDIATE RELEASE** April 18, 2012*

Contact: Jay Coghlan, Nuclear Watch NM, 505.989.7342, c. 505.920.7118, jay@nukewatch.org

Santa Fe, NM – Our colleagues and friends at the Project on Government Oversight (POGO) have released an explosive report based on a leaked Department of Defense memo concluding that “The Department of Energy’s network of privately-operated nuclear weapons laboratories are riddled with waste, redundancies and lackluster scientific standards.” POGO also found that “that seven of the top 15 officials at the three DOE nuclear labs make more than \$700,000 per year, with one earning \$1.7 million—more than the president of the United States and many government executives.”

Coincidentally, Nuclear Watch New Mexico had been independently compiling data on the salaries of the three laboratory directors, as presented in the table below. It shows that the salary of the Los Alamos Director has nearly tripled since for-profit management began in June 2006, even as the Lab is cutting some 600 jobs. As seen below, privatization of the nuclear weapons labs’ management contracts has resulted in directors’ salaries far above average in both the federal government and the private sector.

LANL Lab Director 2011	\$1,081,059	Nearly triple 2005
LANL Lab Director 2009 after privatization	\$800,348	In June of 2006, management of the Lab was awarded to Los Alamos National Security, LLC, a for-profit corporation including University of California, Bechtel Corporation, URS, and B&W
LANL Lab Director 2005 before privatization	\$348,000	Lab managed as a non-profit entity by the University of California until June 2006
Sandia Director 2011 Sandia National Laboratory, Albuquerque	\$1,726,000	Operated by Sandia Corporation, a wholly owned subsidiary of the Lockheed Martin Corporation
LLNL Director 2011 Lawrence Livermore National Laboratory, Livermore, CA	\$500,522	Since 2007 has been operated by Lawrence Livermore National Security, LLC, consisting of Bechtel National, University of California, B&W, Wilcox, URS, and Battelle
NNSA Administrator Directly in charge of the Labs	\$179,700	The National Nuclear Security Administration spends more than \$7 billion annually on its nuclear weapons complex
DOE Secretary Nominally in charge of NNSA	\$199,700	Department of Energy spends around \$26 billion annually, of which 90% goes to private contractors.
President of the United States	\$400,000	
Governor of New Mexico	\$110,000	
Average CEO in	\$204,890	New Mexico Business Weekly, May 16, 2011

Albuquerque, NM		
CEO Public Service Co. (NM's largest utility)	\$575,000	The Associated Press, April 06, 2012

The DoD memo leaked by POGO contains the following admirable passage on good governance:

Diminishing Public Accountability. Without a strong yardstick, our government cannot govern well — not even if it retains the best and brightest on contract. The government’s own assets must capably bear the responsibility for decisions that affect national interests, and they must maintain public confidence by the manner in which those decisions are made.

In contrast, the directors of the three nuclear weapons labs (the Los Alamos, Sandia and Lawrence Livermore National Laboratories) wear two hats, first as lab directors, but secondly as the presidents of the board of directors of the for-profit limited liability corporations (LLCs) that run the labs. That may be a questionable conflict of interests, in which the LLCs are enjoying record profits from issues that deeply “affect national interests” (i.e., nuclear weapons) while the salaries of their “CEOs” (the lab directors) are exploding.

Arguably the lab directors have not maintained public confidence in the decisions they make because of the general trend of increasingly withholding crucial public information. One example is the Performance Evaluation Reports that rate contractors’ performance and determines the amount of taxpayers’ money awarded to them. Those reports were publicly available until 2009 when the National Nuclear Security Administration (NNSA) began to withhold them, and became recently available again only after NukeWatch NM sued for them under the Freedom of Information Act.

NNSA awarded the limited liability corporation that runs Los Alamos Lab \$74.2 million for FY 2010, followed by \$83.7 million in profit for FY 2011, a 13% increase in one year, and 10 times more than what the University of California (UC) use to be awarded when it was LANL’s sole nonprofit manager. Jay Coghlan, NukeWatch Director, commented, “In today’s political and economic climate citizens need to remain vigilant that for-profit corporate interests don’t corrupt serious national issues. This very much applies to how our nuclear weapons labs are run as well. We specifically call upon Los Alamos Lab to fully explain to northern New Mexicans why it needs to cut some 600 jobs while at the same time the for-profit management corporation is enjoying record profits and the Director’s salary has nearly tripled in six years.”

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All data on nuclear weapons labs directors’ salaries are from:
<http://www.recovery.gov/Transparency/RecipientReportedData/pages/RecipientProjectSummary508.aspx?AwardIdSur=74953>
<http://www.recovery.gov/Transparency/RecipientReportedData/pages/RecipientProjectSummary508.aspx?AwardIDSUR=115066&qtr=2011Q1>
<http://www.upte.org/LosAlamos/salaries/salaries.html>

POGO's press release "Leaked Defense Memo Criticizes the Department of Energy's Push to Expand Nuclear Weapons Laboratories" is at <http://www.pogo.org/pogo-files/alerts/nuclear-security-safety/nss-nwc-20110418-nuclear-waste-dept-of-energy.html>

POGO's detailed letter to congressional committees on these issues is at <http://www.pogo.org/pogo-files/letters/nuclear-security-safety/nss-nwc-20120418-nuclear-weapons-labs.html>

To read the leaked DoD memo, click here <http://pogoarchives.org/m/nss/new-missions-for-the-nuclear-weapons-labs-11-16-2011.pdf>

***551 W. Cordova Rd., #808, Santa Fe, NM 87505-4100 • Voice and fax: 505.989.7342
info@nukewatch.org • www.nukewatch.org • http://www.nukewatch.org/watchblog/
http://www.facebook.com/NukeWatch.NM***