



**Department of Energy**  
Washington, DC 20585

April 30, 2015

The Honorable John Barrasso, M.D.  
United States Senate  
Washington, DC 20510

Dear Senator Barrasso:

I write in response to your March 12, 2015 letter regarding reports that former Department of Energy Deputy Secretary Daniel Poneman has accepted positions at Centrus Energy Corp. and the Traxys Group following his departure from government service.

As a former employee of the executive branch, Mr. Poneman is subject to certain conflict of interest restrictions in his post-government activities and employment. The Department of Energy is committed to vigorous actions to foster compliance with ethics regulations and guidelines.

Consistent with that culture of compliance, the Department has a robust ethics program that routinely provides annual ethics training to employees, reviews financial disclosure reports, and provides advice concerning the Federal criminal ethics statutes and the standards of conduct regulations. The Department's career legal staff coordinates closely with Departmental management to inform employees of their responsibilities under ethics statutes and regulations. The Department's ethics program emphasizes a culture of adherence to ethics requirements and fosters an ethical working environment.

On a routine basis, the Department's employees consult with ethics staff on matters related to seeking and negotiating future employment. The Department's career legal staff provides ethics briefings and post-employment advice for DOE employees, including political appointees that are Senate confirmed.

The Department's Designated Agency Ethics Official personally and directly advised then-Deputy Secretary Poneman of the restrictions that would apply to his employment activities following his October 17, 2014 termination of Federal service. A memorandum dated September 18, 2014, memorializing this guidance is enclosed. Moreover, an examination of appropriate documents does not reveal any indication that former Deputy Secretary Poneman violated any ethical obligations applicable to Federal employees with respect to potential employment with Centrus at any time during his service at the Department of Energy.



With respect to management of the uranium inventory, the Department is committed to helping maintain viable domestic uranium mining, conversion, and enrichment industries, and, as such, strives to communicate clearly about its plans. To that end, the Department issued an updated and revised Excess Uranium Inventory Management Plan in 2013. Departmental transfers of uranium have been consistent with that plan.

In a letter to you dated April 20, 2015, the Secretary detailed the process to solicit and incorporate public input into a new Secretarial Determination, including the issuance of a Request for Information seeking comment about the effects of continued uranium transfers on the domestic uranium industries, and recommendations about factors to be considered in assessing the possible impacts of DOE transfers. Additionally, the Department also commissioned a further analysis from Energy Resources International on the effects of its proposed uranium transfers. As the Secretary emphasized in his letter, the Department believes these steps demonstrate commitment to public engagement and to a strong domestic uranium industry.

Finally, it bears note that the Department respectfully disagrees with the Government Accountability Office's ("GAO") assessment of the May 2012 transaction to which your letter referred and its interpretation of the legal framework governing uranium transfers. We provided our views in a response to GAO, a copy of which I have enclosed for your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric J. Fygi", written over a horizontal line.

Eric J. Fygi  
Deputy General Counsel

Enclosures