

LANL settles whistleblower court case

Litigation stemmed from 2003 internal report expressing concern with lab's accounting practices

By Carol A. Clark

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Editor's note: this is the first in a multi-part series.



Former Los Alamos National Laboratory auditor Charles (Chuck) Montaño settled litigation against University of California regents and several individual defendants.

Former Los Alamos National Laboratory auditor Charles (Chuck) Montaño and the regents of the University of California and several individual defendants settled litigation that Montaño brought against the group alleging that he was subjected to retaliation for his whistleblower protected disclosures. As part of the settlement reached late last year, Montaño agreed to resign his post at the laboratory and effectively did so Dec. 31.

Montaño filed the retaliation lawsuit in March 2005 against UC, d/b/a Los Alamos National Laboratory, Richard Marquez, John Bretzke, the estate of Vernon Brown and William Barr. At the time the suit was filed, Marquez was the lab's associate director for Administration, Bretzke was division leader of the Supply Chain Management (SUP) Division, Brown was acting group leader of SUP-1 and Barr was project leader for Procurement Quality Assurance.

Montaño's suit stemmed from alleged retaliatory actions by LANL officials in reaction to a 2003 internal report released by Montaño and a fellow auditor, expressing concern with laboratory accounting practices and detailing

millions of dollars in fraudulent billing at the lab.

The ensuing scandal culminated in the 2004 resignation of LANL Director John Browne, termination of two top security officials, the transfer or termination of dozens of senior laboratory officials, jail sentences for two procurement workers and a suicide shrouded in suspicion.

Following the release of his audit report, Montaño was removed from his duties and allegedly was left to sit idle for nine months in a LANL basement. He reported that contact with other laboratory employees was cut off as was his access to laboratory information.

Montaño also alleged that his work product was slandered by laboratory management and that illegal and inappropriate behavior, acts and activities that he uncovered were improperly suppressed by his supervisors.

Montaño sued for whistleblower retaliation in March 2005.

“We were just shocked when Richard Marquez said in his testimony last September that the laboratory never got to the bottom of the issue of the dollar amount involved in the financial scandal,” said Montaña’s attorney, Lynne Bernabei of Bernabei & Wachtel, PLLC in Washington, D.C. during an interview Saturday.

“We couldn’t figure out why they would be willing to take the high risk of firing their security officials, Glenn Walp and Steve Doran of the laboratory’s Office of Security Inquiries – who originally discovered the fraud, until we were able to uncover the missing link in the puzzle that this may have reached the highest levels of the laboratory.”

Montaña was among the auditors transferred from the University of California’s President’s Office to LANL in 1987, which effectively ended independent auditing of the laboratory.

“We were concerned that we would end up where we are now - subject to retaliation, with careers damaged or terminated, or isolated like me,” Montaña told the Los Alamos Monitor in 2005. He said Congress has placed auditors in an untenable position, “Either they lose their professional standing by failing to report what they have discovered, or lose their jobs or careers if they do report.”

Editor’s note: This is the first of a series publishing this week detailing the issues, people and LANL’s response surrounding Montaña’s whistleblower lawsuit.