

January 21, 2005

MEMORANDUM TO: Jesse L. Funches  
Chief Financial Officer

FROM: Mary S. Givvines, Director /RA/  
Division of Financial Management  
Office of the Chief Financial Officer

SUBJECT: REQUEST FOR APPROVAL TO WRITE-OFF A  
DELINQUENT DEBT (WRITE-OFF NO. FY2005-06)

ATG Nuclear Services, Inc. filed for Chapter 11 (reorganization) bankruptcy on December 3, 2001. On April 27, 2003, the bankruptcy court converted ATG's Chapter 11 case to a Chapter 7 (liquidation) case. On November 7, 2003, the Trustee for ATG initiated an adversarial proceeding against the NRC in the Bankruptcy Court to recover for the benefit of ATG's bankruptcy estate and creditors certain alleged preferential transfers totaling \$39,941. On January 5, 2005, the Department of Justice and the Trustee for ATG reached an agreement for the NRC to refund to the Trustee the amount of \$23,964. These funds had been applied to materials annual fee invoice AM1618-01. With the refund of \$23,964, there is now a balance due on invoice AM1618-01 of \$23,964. ATG Nuclear Services, Inc. is no longer in business, and the Accounts Receivable Team has determined that the debt is not otherwise collectible. ATG Nuclear Services, Inc. terminated its license on February 4, 2004.

It is recommended that collection activity for this invoice be terminated and the debt be written off. This recommendation is consistent with 10 CFR 15.55(a) which states that collection activity may be terminated when it becomes clear that the NRC cannot collect or enforce collection from the debtor having due regard for the judicial remedies available to the NRC, the debtor's future financial prospects, and the exemptions available to the debtor under State and Federal law (e.g., bankruptcy). The amount recommended to be written off is \$23,964 (includes interest, penalties, and administrative charges). If approved for write-off, we will issue a 1099C to the IRS.

APPROVED:

/RA/  
Jesse L. Funches  
Chief Financial Officer

1/26/05  
Date

January 21, 2005

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APPROVED:

ORIGINAL SIGNED  
Jesse L. Funches  
Chief Financial Officer

January 26, 2005  
Date

Distribution:

OCFO/DFM/ART RF

SISP Review Completed

Yes/No

OCFO/DFM RF

SISP Coordinator (Initials)

rs

OCFO/DFM SF (AR-1.8)

Invoice File Nos.(AM1618-01)

G:\DAF\LFARB\Acct Rec\FY2005-06.wpd

**ADAMS - Yes/No**

**SENSITIVE/NON-SENSITIVE**

**PUBLIC/NON-PUBLIC**

**Initials - Ipt**

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**\*See previous concurrence.**

OFFICE	OCFO/DFM/ART	E	OCFO/DFM	N	OCFO/DFM	N	DCFO	N	CFO	N
NAME	LPTremper*		ACRossi*		MSGivvines		PJRabideau		JLFunches	
DATE	01/ 12 /05		01/ 18 /05		01/21/05		01/25/05		01/26/05	