



Written by [Raven Clabough](#) on April 12, 2011

## BP Oil Spill: Compensation Fund Abuse

The *Associated Press* [writes](#):

In the year since the Gulf oil spill, officials along the coast have gone on a spending spree with BP money, dropping tens of millions of dollars on gadgets, vehicles and gear — much of which had little to do with the cleanup, an *Associated Press* investigation shows.

The oil giant opened its checkbook while the crisis was still unfolding last spring and poured hundreds of millions of dollars into Gulf Coast communities with few strings attached.



For example, over \$500,000 was spent on rock concerts promoting Florida's oil-free beaches.

Likewise, reserve police officers in Ocean Springs, Mississippi, received new Taser guns, while the sewer department in Gulfport purchased a vacuum truck costing \$300,000 that was never used to suck up a drop of oil.

The city of Biloxi, Mississippi, purchased a dozen SUVs, one of which — a \$35,000 black 2011 Chevy Tahoe 1500 LT — is being driven by the Mayor A.J. Holloway. City spokesman Vincent Creel has defended the Mayor's use of the vehicle, contending that the mayor has used it to travel to "countless meetings" pertaining to the spill.

Additionally, a parish president in Louisiana, Charlotte Randolph, utilized the BP funds to purchase an iPad for herself and a \$3,000 laptop for her spokesman.

Randolph claimed that she required the new iPad, as well as her parish-paid Blackberry, to communicate with staff and officials during the crisis. However, the AP discovered that the iPad had not been purchased until August 25, weeks after the well was capped, and much of the oil had been cleaned up.

Randolph continued to defend her purchase, however. "Just because it wasn't streaming from the well any longer doesn't mean it wasn't approaching our shore," she told the *Associated Press*. "My work is very important. Perhaps one day you could follow me somewhere and learn what my work involves. I must be in contact at all times."

The *Associated Press* observes, "In every case, communities said the new, more powerful equipment was needed to deal at least indirectly with the spill."

It adds, "In many cases, though, the connection between the oil spill and expenditures was remote, and lots of money wound up in cities and towns little touched by the goo that washed up on shore, the AP found in records requests from more than 150 communities and dozens of interviews."

In Florida, for example, some of the money received from the British Petroleum compensation fund was



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sent to counties that were not impacted by the oil spill, such as Miami-Dade.

Even worse, some officials used the funds to offer campaign donors and others expensive contracts. The girlfriend of a Florida county commissioner, for instance, who set up a public relations firm weeks after the oil spill, received more than \$14,000 from the county's portion of the British Petroleum compensation funding for a mere month of work.

British Petroleum managed to reject some requests from local authorities that appeared to have "no clear connection" to the oil spill, AP reported, including one request for a \$245,000 mobile command unit and another request for a \$19,000 Harley-Davidson," the latter to allegedly help establish barricades.

Executive director of the Mississippi Department of Marine Resources, William Walker, admits that some communities purchased more than necessary to handle the spill, but he also asserts that he does not regret approving the use of the BP funds.

"At the time we were making these decisions, there were millions of gallons of oil going into the Gulf of Mexico with no clear idea when it would stop," he said. "We didn't wait. We tried to get grant money into circulation as quickly as possible. We didn't have any extra time. We needed to move when we moved."

The explosion of the Deepwater Horizon rig in the Gulf of Mexico, which took place on April 20, killed 11 workers and quickly became known as the worst offshore oil spill in American history. While British Petroleum scrambled to clean up the mess as quickly as possible, cities along the Gulf Coast immediately felt the impact of the spill on business. The tourism and fishing industries were impacted the most, and the environmental impact has yet to be fully calculated.

Speculation over who was at [fault](#) for the disaster prompted the federal government to redirect attention away from itself and place the blame squarely on the shoulders of the oil giant.

As noted by the *Associated Press*, "When BP was heavily under attack from the top down for its response to the rapidly growing environmental disaster, the company started throwing huge sums of money at the problems it had in the water and on land ... even if it meant waiting until later to figure out details like how officials would have to account for the cash."

Additionally, the Gulf oil spill served to highlight the influence of George Soros' Center for American Progress, headed by John Podesta, on the Obama administration. As conservative pundit Glenn Beck [reported](#) on his Fox News program on June 22, 2010:

Way, way back on May 3rd, the Center for American Progress said the White House should demand BP set up an escrow account with billions to pay the Gulf Coast residents. Well, we did it. Yes, it was done just last week. May 4th, the Center for American Progress suggested that Obama name a commission to investigate the causes of the BP oil-and May 22nd, Obama did it. May 2st, the Center for American Progress, John Podesta, privately implored White House officials to name somebody to be the public point person for the spill response.... And then — surprise, surprise— Obama did it.

As of March 31, British Petroleum laid out more than \$754 million to state and local governments, as well as \$694 million to the federal government.

Learning a lesson from the questionable spending, however, British Petroleum has added conditions to how the money can be spent, asserting that the funds should be used to mitigate damage. The *AP*



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writes, "The contracts require states to provide the company with at least an annual report on how the money has been used, BP spokeswoman Hejdi Feick said. But it's unclear what consequences, if any, the states could face if they didn't comply."

The abuse of the funds from the BP compensation account is reminiscent of the abuse of the billions of dollars of federal money funneled to the victims of Hurricane Katrina, which prompted [FBI investigations](#).

*Photo: AP Images*



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