



Government Sues BP

The U.S. Justice Department is suing nine companies including BP for billions of dollars in damages related to the Gulf of Mexico oil leak. Attorney General Eric Holder announced the lawsuit seeks civil penalties under the Clean Water Act. It also contends eight of the nine defendants should be liable without limitation for all removal costs and damages under the Oil Pollution Act.



The complaint, filed in the U.S. District Court in New Orleans, alleges BP and the other eight companies were in violation of several crucial federal safety and operational regulations. Holder says these violations caused or contributed to an April 20, 2010 explosion on board the *Deepwater Horizon* offshore drilling rig, an accident that claimed the lives of 11 workers and began a massive oil leak that lasted three months.

"We intend to prove that these defendants are responsible for government removal costs, economic losses, and environmental damages without limitation," said Holder, who also warned this suit is only the beginning. "Both our civil and criminal investigations continue, and our work to ensure that the American taxpayers are not forced to bear the costs of restoring the gulf area and its economy is moving forward."

Defendants named in the lawsuit in addition to BP are Anadarko Petroleum Corporation, Anadarko Exploration & Production LP, and MOEX Offshore 2007, which share interest with BP in operating and developing the oil field where the accident occurred. Four subsidiaries of Transocean, Inc., the company that owned the *Deepwater Horizon* rig, are also involved, as is Transocean's insurer, QBE Underwriting Ltd./Lloyd's Syndicate 1036.

Under the Oil Pollution Act, these defendants may be held liable if the Justice Department can prove they are guilty of failing to take necessary precautions to control, monitor, and maintain the oil well and safety equipment. The suit also alleges they were in violation of the Clean Water Act during the months that oil leaked from the well because the act prohibits unauthorized discharge of oil into the nation's waters.

In announcing the lawsuit, Holder failed to mention a recent [Inspector General investigation](#) citing corruption in the Interior Department's Minerals and Management Services (MMS), which exercises oversight of offshore drilling. The investigation found MMS employees had for years been accepting bribes from oil companies and allowing industry officials to fill in their own inspection reports. MMS did not complete 16 required monthly inspections on *Deepwater Horizon* since January



Written by [Rebecca Terrell](#) on December 17, 2010

2005.

The government further exacerbated problems by failing to uphold its part of a 1994 federal response plan agreement that stipulated the government's responsibility to keep clean-up equipment on hand in the region in case of a major Gulf oil spill. More than a month after the accident those materials were still unavailable. A former federal oil spill response coordinator who helped draft the 1994 plan [estimated](#) roughly 95 percent of the leak would have been contained immediately if the government had upheld its end of the bargain. During the course of the response effort, federal delays reached such a pitch that Governor [Bobby Jindal](#) of Louisiana asked the response team to get out of the way and let his state take care of itself.

Another consideration Holder ignored is the fact that federal regulations prohibit oil companies from drilling in safer areas with ample oil reserves. Research by the [U.S. Geological Survey](#) has revealed billions of barrels of recoverable oil reserves across the country. Yet regulations established in a knee-jerk reaction to the 1989 Exxon *Valdez* spill are still in place, forcing companies 40 miles off the coast into dangerously deep water, making it far more difficult to cap leaks and clean up spills.

Photo of *Deepwater Horizon* rig: AP Images



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