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Congress of the United States

House of Representatives

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September 12, 2008

The Honorable Tom Davis
Ranking Minority Member
Committee on Oversight and Government Reform
B-350A Rayburn House Office Building
Washington, DC 20515

The Honorable Darrell Issa
Ranking Minority Member
Subcommittee on Domestic Policy
211 Cannon House Office Building
Washington, DC 20515

Dear Reps. Davis and Issa:

I was surprised by your letter of September 10, 2008, which expressed concern about the Committee's oversight of the Minerals Management Service.

The serious abuses at MMS that the Inspector General described earlier this week occurred between 2002 and 2006, when you were Chairman of the full Committee and the Energy Subcommittee, respectively. Yet despite my requests, your oversight of the MMS was focused on actions that happened during the Clinton Administration. If there was a failure of oversight by the Committee, it occurred during your watch.

I believe the corruption and lax oversight described by the Inspector General deserve oversight by Congress. In many ways, they epitomize the close relationship between the Bush Administration and the oil industry that has led to record profits for oil companies and soaring prices for consumers. That is why I immediately scheduled a Committee hearing for next week.

I cancelled the hearing yesterday after receiving a request from the committee of primary jurisdiction, the Natural Resources Committee, which expressed an interest in holding its own hearing next week. Unlike the precedent set under a previous Republican chairman of our Committee, I have tried to avoid holding duplicative hearings, which I regard as a waste of taxpayer money.

The Honorable Tom Davis
The Honorable Darrell Issa
September 12, 2008
Page 2

Your accusation that Democrats have not conducted oversight of the Minerals Management Service and the Department of Interior is simply misinformed. Our Committee has not held hearings because there has been extensive oversight by the committees of jurisdiction. The Natural Resources Committee has held five hearings with a sixth hearing planned for next week.¹ The Senate Energy and Natural Resources Committee has held five hearings on the topic.² That is over twice as many hearings as you held. You may be aware of some of their work on this issue as the Government Accountability Office has examined the MMS at your joint request.³

Your letter significantly distorts your own record. Because you focused your efforts on criticizing the Clinton Administration, you failed to examine the culture of corruption that developed under the Bush Administration. Two years ago, I asked you to investigate allegations involving Lucy Denett, one of the officials singled out for criticism in the latest IG report, and others alleged to have retaliated against auditors. But my request was denied. As I stated at the Committee's September 14, 2006, hearing:

¹ House Committee on Natural Resources, Subcommittee on Energy and Mineral Resources, *Oversight Hearing on FY 2008 Budget Request for the MMS, BLM, Energy and Minerals Program, OSM, Minerals Geology Program of the Forest Service, and USGS*, 110th Cong. (Feb. 27, 2007); House Committee on Natural Resources, *Royalties at Risk*, 110th Cong. (Mar. 28, 2007); House Committee on Natural Resources, Subcommittee on Energy and Mineral Resources, *The Mineral Management Service's Proposed 2007-2012 Program for Oil and Gas Leasing on the Outer Continental Shelf*, 110th Cong. (June 28, 2007); House Committee on Natural Resources, Subcommittee on Energy and Mineral Resources, *Oversight Hearing on the Proposed Fiscal Year 2009 Budget*, 110th Cong. (Feb. 28, 2008); House Committee on Natural Resources, Subcommittee on Energy and Mineral Resources, *Getting Royalties Right: Recent Recommendations for Improving the Federal Oil and Gas Royalty System*, 110th Cong. (Mar. 11, 2008).

² Senate Committee on Energy and Natural Resources, *Oil and Gas Royalty Management*, 110th Cong. (Jan. 18, 2007); Senate Committee on Energy and Natural Resources, *Oil and Gas Resources on the Outer Continental Shelf*, 110th Cong. (Jan. 25, 2007); Senate Committee on Energy and Natural Resources, *Proposed Budget for FY 2008 for the Department of the Interior*, 110th Cong. (Feb. 15, 2007); Senate Committee on Energy and Natural Resources, *President's Fiscal Year 2009 Budget for the Department of the Interior*, 110th Cong. (Feb. 13, 2009); Senate Committee on Energy and Natural Resources, *U.S. Oil Inventory Policies, Including the Strategic Petroleum Reserve Policies*, 110th Cong. (Feb. 26, 2008).

³ Government Accountability Office, *Data Management Problems and Reliance on Self-Reported Data for Compliance Efforts Put MMS Royalty Collections at Risk* (Sept. 2008).

The Honorable Tom Davis
The Honorable Darrell Issa
September 12, 2008
Page 3

I have been disappointed by the refusal thus far to hear from witnesses on these allegations. I hope that Chairman Davis and Chairman Issa will reconsider and investigate these issues. The Interior IG's explosive testimony yesterday highlights even greater problems at the very highest levels of the Interior Department. Inspector General Devaney stated that "ethics failures on the part of senior Department officials, taking the form of appearances of impropriety, favoritism and bias, have been routinely dismissed with the promise not to do it again." And he described how the former Secretary of Interior refused to hold high-level officials accountable for their misdeeds.

This committee has the responsibility to investigate Government misconduct. We should not ignore what Inspector General Devaney said yesterday. There are serious problems at the top of the Department of Interior, and we have an obligation to investigate these matters and hold officials accountable for ethical lapses.⁴

Your voting record is also revealing. When the Democrats assumed control of Congress in 2007, the House quickly passed legislation to collect the lost revenues from the flawed 1998 and 1999 leases.⁵ If this legislation passed the Senate, it would have remedied a problem you helped identify in the previous Congress and saved the taxpayers billions of dollars. I was disappointed that you both voted against it.

As I have written you before, I always appreciate your input on the Committee's oversight agenda. In this case, though, I think your comments miss the mark.

Sincerely



Henry A. Waxman
Chairman

⁴ *Id.*

⁵ H.R. 6 (online at <http://clerk.house.gov/evs/2007/roll040.xml>).