

**STATEMENT OF MICHAEL R. BROMWICH
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REGULATION AND ENFORCEMENT
BEFORE THE
COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES
ON THE CONTINUING REFORM OF THE OUTER CONTINENTAL SHELF
PROGRAM**

JUNE 30, 2010

Thank you, Chairman Rahall, Ranking Member Hastings, and Members of the Committee for the opportunity to be here today with Secretary Salazar. I appreciate being included in this hearing and being part of the discussions about reorganization of the Outer Continental Shelf program.

Overview

My appointment as the new Director started one week ago Monday, and therefore I have had only a short amount of time to begin to understand the Bureau's programs, operations, and challenges. I would like to take my time to introduce myself and give you an overview of my vision and goals.

When the President and Secretary Salazar asked me to take this assignment, I was a partner in the firm of Fried Frank. I headed the firm's Internal Investigations, Compliance and Monitoring practice group and concentrated on conducting internal investigations for private companies and other organizations; providing monitoring and oversight services in connection with public and private litigation and government enforcement actions; and representing institutions and individuals in white-collar criminal and regulatory matters. I also provided crisis management assistance and counseling.

Even while in private practice I have had significant experience with turning around troubled government agencies. I served for six years as the Independent Monitor for the District of Columbia's Metropolitan Police Department and had just begun performing the same role for the Virgin Islands Police Department, which involved overseeing sweeping reforms of those Departments' use of force programs. I also conducted a comprehensive investigation of the Houston Police Department's Crime Lab and provided HPD with extensive recommendations for reforming its Crime Lab, which had a long history of very serious problems.

In the private sector, I have conducted many major internal investigations for companies, including in the energy industry; reviewed the compliance programs and policies of major companies in a variety of industries, conducted extensive field reviews of such programs and made recommendations for their improvement; and represented companies and individuals in state and federal enforcement proceedings and criminal investigations.

From 1994 to 1999, I was the Inspector General for the Department of Justice. I conducted special investigations into allegations of misconduct, defective procedures and incompetence in the Federal Bureau of Investigation Laboratory; the FBI's conduct and activities regarding the Aldrich Ames matter; the handling of classified information by the FBI and the Department of Justice in the campaign finance investigation; the alleged deception of a Congressional delegation by high-ranking officials of the Immigration and Naturalization Service; and the Justice Department's role in the CIA crack cocaine controversy.

From 1987 through 1989, I served as Associate Counsel in the Office of Independent Counsel for Iran-Contra. In January through May 1989, I was one of three courtroom lawyers for the government in the case of *United States v. Oliver L. North*. I supervised a team of prosecutors

and law enforcement agents that investigated allegations of criminal misconduct against government officials and private citizens in connection with provision of aid to the Contras in Nicaragua and serving as overall coordinator of the Iran-Contra grand jury.

From 1983 to 1987, I served as an Assistant U.S. Attorney in the U.S. Attorney's Office for the Southern District of New York. During my tenure, I tried many lengthy and complex cases and argued many appellate matters before the Second Circuit. I served as Deputy Chief and Chief of the Office's Narcotics Unit.

From those experiences dealing with many organizations and institutions, I have accumulated substantial experience in seeing what works and what does not in organizations. I have had experience leading government agencies, as well as reviewing the leadership styles in many agencies. Based on that experience, I am confident that I can lead this organization and implement the changes that are necessary.

Bureau of Ocean Energy Management, Regulation and Enforcement

As I said, I began my service as the Director, Bureau of Ocean Energy Management, Regulation and Enforcement on June 21, 2010. So far, my understanding of the events surrounding the Deepwater Horizon catastrophe are primarily based on the news coverage, what I have read, and initial conversations with Department of the Interior personnel. Therefore, my knowledge of the Bureau, its employees and its programs is at a very early stage.

I look forward to becoming well-versed in the complex regulatory regime governing offshore oil and gas exploration and drilling and the nation's emerging and promising offshore renewable programs. It already is apparent that the programs that this Bureau manages are technologically

complex and involve a highly specialized workforce. As an agency, we will be thinking carefully about, and proceeding quickly with, reforming the way the Bureau does business and oversees energy exploration and development.

My goal is to develop a set of recommendations for the Secretary and the President that will improve the way the organization works. I am committed to eliminating improper incentives and influences, creating a culture for the OCS program that is devoted to vigorous and effective regulation and enforcement, and establishing the Bureau as an agency that is focused on safety and environmental protections. To provide us with the capacity to meet these commitments, I announced yesterday the establishment of an investigations and review unit within the Bureau that can act quickly and will report directly to me.

I understand that the Department has been conducting an extensive analysis of the organization, its programs, and best practices in other countries and other agencies. I will take advantage of the work that has already been done. We expect to release a plan in the coming weeks that will guide the reorganization. I look forward to talking with you and getting your input to educate this process.

These are important issues for the President, the Congress and the Nation. Under Interior's management, the Outer Continental Shelf currently provides 30 percent of the Nation's domestic oil production and almost 11 percent of its domestic natural gas production. The Nation currently relies on the OCS program to continue to make available the energy resources that we and our economy need. I look forward to the challenges ahead, and to ensuring that we manage the development of the Nation's energy resources, while at the same time enforcing the law and

aggressively regulating oil and gas exploration and drilling to ensure that this activity is conducted in a manner that is safe for workers and the environment. Thank you.