Congress of the United States

House of Representatives

Washington, DC 20515

September 21, 2006

The Honorable Richard Pombo
Chairman
House Committee on Resources
1324 Longworth
Washington, DC 20515

Dear Mr. Pombo:

Once again, The New York Times has exposed egregious examples of apparent corruption at the Department of Interior, underscoring Inspector General Devaney's testimony before the House Government Reform Committee last week that "short of crime, anything goes" at the highest levels of the Interior Department. According to today's story, officials at the Department of Interior have suppressed the work of four government auditors attempting to recoup more than $30 million in fraudulent underpayments of oil royalties for the American taxpayer.

A number of us asked you to conduct oversight hearings on royalty-free leases as far back as February of this year, but you did not act on our request.

As Chairman of the House Resources Committee you have considerable responsibility, authority, resources and staff to conduct effective oversight of the agencies under your committee's jurisdiction. Yet, on the issue of intentional, or even possibly criminal underpayments of oil royalties and numerous other critical matters you have not exercised appropriate oversight responsibility. As a result, questional and corrupt practices by the Bush Administration's Department of Interior have gone unchecked.

We believe your silence and inaction on oversight of this matter is tantamount to supporting the status quo and allowing the continuation of oil industry underpayments, while the agencies responsible for safeguarding the American taxpayer look the other way.

We call on you to protect the American taxpayer by immediately holding oversight hearings to investigate this extremely serious matter of oil royalty underpayments and possible corruption within the Department. Your refusal to act and to thoroughly investigate possible corruption and collusion at the Interior Department has sent the wrong signal to both the public and the violators of the public trust. This is not acceptable.

Specifically, we request as a first step that you immediately request the Interior Department's Inspector General to testify before your Committee and address the following concerns:

PRINTED ON RECYCLED PAPER

1) The New York Times report regarding the four government auditors charged with monitoring leases for oil and gas on federal property who state that the Department of Interior (DOI) suppressed their efforts to recover millions of dollars from oil and gas companies they said were cheating the government;

2) The effect of the stated "culture of corruption" as described by OIG Devaney on the royalty collection program at DOI in general, i.e., beyond just the 1998-1999 deepwater leases "bungling"; and

3) The effect that DOI's decreasing budget requests and allocation of resources has had on the Minerals Management Service (MMS) and State and Tribal auditing programs, and the effect this is having on ensuring that oil and gas lessees are actually making the correct payments. Further, we need to know if there is any truth to the allegation made by certain State and tribal auditors that their criticisms of MMS/DOI management of the royalty program has resulted in punitive reductions in their funding.

To disregard Congress' duty to provide proper oversight of this matter is a failure for average taxpayers who must absorb the costs of reduced payments in royalties. It is our responsibility to fight on behalf of every taxpayer to ensure that companies fulfill their obligation to pay their fair share of oil and gas royalties.

We appreciate your attention to this request and hope that you will act immediately on behalf of average Americans who are paying the price for these unacceptable practices.

Sincerely,

Maurice Hinchey

George Miller

Ed Markey

Raul Grijalva

Rosa DeLauro

Carolyn Maloney

Jim Moran

cc: The Honorable John Boehner