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September 17, 2008

Facsimile Delivery
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The Honorable Edward J. Markey
Chairman
Select Committee on Energy
Independence and Global Warming
U.S. House of Representatives
B243 Longworth House Office Building
Washington, DC 20515

Facsimile Delivery
202 225 0095

The Honorable F. James Sensenbrenner
Ranking Member
Select Committee on Energy
Independence and Global Warming
U.S. House of Representatives
H2-344 Ford House Office Building
Washington, DC 20515

Dear Chairman Markey and Ranking Member Sensenbrenner:

I write in response to Chairman Markey's letter to David O'Reilly of September 12, 2008 regarding the Office of Inspector General for the Department of the Interior reports related to MMS (the "MMS Report").

First, I would like to stress that ethical conduct is a core value of Chevron and something that we take very seriously. Our Business Conduct and Ethics Code is a comprehensive guide to how employees should conduct themselves professionally in all aspects of business, including interactions with U.S. and non-U.S. government officials and employees. Chevron requires its employees to review and comply with these and all other applicable policies.

By way of background, Chevron was subpoenaed in this matter in March of 2007. Chevron immediately undertook to collect and review tens of thousands of potentially responsive materials. Chevron produced more than 13,000 pages of material, including emails, expense documents, compliance materials, calendar appointments, and contracts. It is clear from the MMS Report that the DOI OIG investigation relied heavily on documents Chevron promptly provided. A small number of former and current Chevron employees were unable to arrange interviews with the government. Discussions relating to those interviews, however, were conducted between the DOI OIG and separate non-company counsel for those individual employees. Chevron played no role in those discussions or with respect to whether the interviews took place. Chevron complied with every request it received from the DOI OIG.

I turn now to the specific questions raised in Chairman Markey's September 12 letter.

Response to Question 1: Senior executives at Chevron did not have knowledge that Interior Department employees or officials were accepting gifts from Chevron employees or that Chevron employees were providing any such gifts. Chevron takes very seriously the obligations of government employees. In mid-2005, about two years before Chevron was made aware of any government investigation into MMS employees, Chevron determined in the course of regular compliance training, that a handful of employees in contact with MMS personnel from the RIK program did not fully understand the rules governing

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receipt by MMS employees of meals and similar forms of entertainment. The rules were again reviewed with these employees. The MMS Report indicates that no monies were spent in 2006 by Chevron employees on these MMS personnel. Senior executives were not aware of these facts until the matter came under investigation by the DOI OIG.

Response to Question 2: Senior executives at Chevron were neither aware of nor directed any employee to establish an unprofessional relationship with any government employees, including Interior Department employees or officials.

Response to Question 3: As described in the MMS Report, several former or current Chevron employees provided meals, drinks and other entertainment to a small number of MMS employees between 2002 and 2005. Chevron provided to DOI OIG all of the expense documentation related to MMS employees. That documentation reflected that Chevron employees were reimbursed for a total of about \$2500 in MMS related expenses during this time period. There was no advance authorization.

Response to Question 4: Chevron did not allocate funds in advance for the purchase of gifts for Interior Department or any other Bush Administration employees or officials.

Response to Question 5: We are currently retrieving and reviewing records from the time period in question to respond to this question.

I want to reiterate that as a company we place a high premium on ethical conduct and always demand proper conduct on the part of our employees in their interactions with government agencies and representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "L. B.", with a long horizontal line extending to the right.

Lisa B. Barry