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Select Committee on Energy Independence and Global Warming N.S. House of Representatives

September 12, 2008

Mr. David J. O'Reilly Chairman and Chief Executive Officer Chevron Corporation 6001 Bollinger Canyon Rd. San Ramon, CA 94583

Dear Mr. O'Reilly:

On September 9, 2008, the Office of Inspector General (OIG) for the Department of the Interior issued the final results of three separate investigations into allegations of misconduct by current and former employees of the Minerals Management Service (MMS), which oversees the leasing and management of our nation's oil and gas resources. The OIG investigation uncovered multiple instances of misconduct by MMS employees.

According to the OIG reports, nearly one-third of the employees in MMS' Royalty in Kind (RIK) department "socialized with, and received a wide array of gifts and gratuities from, oil and gas companies with whom RIK was conducting official business" and received gifts "with prodigious frequency." Given the fact that oil and gas royalties comprise one of the largest non-tax revenue streams for the federal government and that the RIK department oversees the collection of nearly \$4 billion of per year rightfully owed to American taxpayers by oil and gas companies, the discovery of these sorts of "textbook example[s] of improperly receiving gifts from prohibited sources" is profoundly troubling.

According to the OIG, employees from Chevron were involved in inappropriately close relationships with Interior Department employees, including providing gifts in violation of federal law, in what has the appearance of an attempt to illegally influence the management and oversight of your company's oil and gas activities and collection of royalty payments owed to the federal government. Therefore, I request that you or your company provide answers to the following questions by close of business on Wednesday, September 17, 2008:

1. Did any senior executives at Chevron Corporation have any knowledge, at any point in time, that Chevron employees were providing gifts to Interior Department employees or officials in violation of federal law? If so, please identify the name and position held by those senior executives.

- 2. Did any senior executives Chevron Corporation direct any Chevron employee to establish unprofessional relationships with Interior Department employees or officials? If so, what was the reason for those relationships? Were they in any way in an attempt to influence the management and oversight of Chevron Corporation's oil and gas activities?
- 3. Were Chevron Corporation funds used directly or on a reimbursable basis to provide prohibited gifts to Interior Department employees? If so, who within Chevron authorized the use of such funds and how much was authorized?
- 4. Did Chevron allocate funds in advance for the purchase of gifts for Interior Department or any other Bush Administration employees or officials?
- 5. Please detail Chevron's expenditures from 2002 to 2006 on lobbying Interior Department or Bush Administration employees or officials concerning the RIK program.

I look forward to your response. Should you have any questions about this request, please have your staff contact my staff at (202) 225-4012.

Sincerely,

Edward J. Markey

Chairman

cc: Mr. F. James Sensenbrenner, Jr. Ranking Member