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## Department of Justice expects to sue oil companies in gulf spill

Officials say the U.S. expects to file suit, charging violation of U.S. environmental laws in the disaster that began with the April 20 explosion of the Deepwater Horizon. BP and Transocean could face steep civil fines.

By Richard A. Serrano *Los Angeles Times*

WASHINGTON — The Department of Justice announced Tuesday that it expected to file a civil suit against the oil companies involved in the massive oil spill in the Gulf of Mexico for violation of federal environmental laws.

An eight-page notice of a possible suit was given by federal prosecutors Monday evening to U.S. District Judge Carl Barbier in New Orleans. Barbier was presiding over about 300 separate civil lawsuits for economic damages and wrongful deaths in the spill, which began April 20 when the Deepwater Horizon rig caught fire and exploded.

The action by the Department of Justice could ultimately lead to heavy civil fines against British Petroleum or Transocean Ltd, the drilling-rig owner. Or, if federal laws were deliberately broken, the investigation could result in federal criminal charges against the companies, officials said.

“As we have said from the beginning, we are committed to ensuring that those responsible clean up the mess they made, restore or replace the natural resources lost or injured in this tragedy and repay every cent of taxpayer money,” said Hannah August, a Department of Justice spokeswoman.

She added, “Today’s filing provides the United States’ view as to how to manage the cases, including suggesting a separate government track for potential state and federal complaints.”

Elizabeth Ashford, a spokeswoman for BP, said the company “doesn’t have a comment at this time” about the Department of Justice action in federal court Monday. But the companies have pledged repeatedly to clean up the spill, restore the environment and pay restitution to business owners and residents hurt by the spill.

Fadel Gheit, a senior energy analyst for Oppenheimer and Col., said that any government case could backfire politically against the Obama administration. He said BP could be fined a maximum of \$2.9 billion, and that could trigger job layoffs,

including among the 30,000 BP employees in the U.S.

“What politician or who in the federal government wants that kind of blood on their hands?” Gheit said.

But Phil Weiss, an analyst with Argus Research, said BP has taken steps to prepare for potentially high fines, and he doubted that BP would have to pay the full amount. “They are not blameless,” he said. “But there are probably enough of a number of other factors involved that they won’t be found grossly negligent.”

In the court filing, federal prosecutors said they expected to intervene in the cases before Judge Barbier. A team of top prosecutors and FBI agents has been scouring the Gulf Coast for several months, attempting to determine whether company officials misled Congress on how quickly it could clean up a spill of this magnitude.

The Justice officials said their main concern was whether the federal Oil Pollution Act or the Clean Water Act were violated.

“The United States has a unique role in civil enforcement matters arising from oil spills,” they said in their court papers. They cited the Clean Water Act and the Oil Pollution Act, which was passed by Congress in 1990 in the wake of the Exxon-Valdez oil spill. It makes companies liable to damages in environmental spills. The Clean Water Act authorizes the United States to seek civil penalties of amounts from \$1,100 to \$4,300 for each barrel of oil that is spilled.

“At this juncture,” they said, “the United States expects that it may file a civil complaint related to the Deepwater Horizon disaster under these provisions and possibly others.”

Charlie Tebbutt, an attorney for the Center for Biological Diversity, said the federal government should not proceed in the case separately as indicated by the new filing.

Tebbutt, whose group is seeking \$19 billion in damages under the Clean Water Act, said the proposed separate track for state and government actions would be too narrow, that public interest groups bringing civil enforcement actions

should be included as well because both are representing the same clients and interests – the American public and the natural resources that belong to all.

“The potential downside is that if the government feels they should proceed on their own track, there may be information they decide not to make publicly available

that should be,” Tebbutt said, referring to the federal investigations into the potential civil and criminal liability of the companies being sued. “One of our jobs is to make sure all information gets to the public.”

*Times staff writers Ronald D. White and Carol J. Williams contributed to this report.*