

Summary: Oil and Gas Company Used Offshore Platform Decommissioning Funds To Pay Other Expenses

Report Date: September 30, 2020

Report Number: 19-0354

The OIG investigated allegations that an offshore oil and gas production company improperly paid operational expenses with money from an escrow account dedicated to paying expenses related to decommissioning offshore platforms in Federal waters.

We found that the company routinely used funds from its decommissioning account to pay what appeared to be various operating expenses. We also found instances where the company appeared to claim reimbursement for duplicate expenses.

Based on our findings, the company submitted credits and adjustments, totaling \$1.9 million, to the decommissioning account to cover these expenses and other disbursements. In addition, we referred a number of unresolved expenses for non-decommissioning activities to the Bureau of Safety and Environmental Enforcement and the Bureau of Ocean Energy Management for resolution.

We referred this matter to the U.S. Department of Justice, which declined to pursue it.

This is a summary of a report of investigation issued to the Directors of the Bureau of Safety and Environmental Enforcement and the Bureau of Ocean Energy Management.

