Investigative Report of Management Interference With Lease 193 EIS

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This is a version of the report prepared for public release.
SYNOPSIS

In November 2014, we received a complaint from an Alaska OCS regional environmental officer with the Bureau of Safety and Environmental Enforcement alleging potential scientific integrity misconduct. The complaint alleged the manipulation of scientific analysis and findings by a non-scientist manager for political purposes regarding the preparation of the second supplemental environmental impact statement (SEIS), drafted by the Bureau of Ocean Energy Management (BOEM), for Oil and Gas Lease Sale 193. During our investigation, it was also alleged that upper-level management established a timeline for completing the SEIS that ultimately compromised its quality and that management established this timeline to benefit the oil and gas industry. Several BOEM employees also believed that the U.S. Department of the Interior (DOI) had already decided to affirm Lease Sale 193 before the SEIS was completed, thereby devaluing their efforts.

We compared the draft SEIS with the final SEIS and determined that non-scientist managers edited the draft SEIS but did not change the scientific analysis or findings. We also found that upper management did establish an expedited timeline for completing the SEIS, but DOI Chief of Staff Tommy Beaudreau, who established the timeline, informed us he did not do so to benefit industry but to protect DOI from blame if the leaseholder missed the 2015 drilling season. DOI executives also stated that a decision had not been made to affirm Lease Sale 193 before the SEIS was completed and said that DOI officials would review all relevant information before making a decision. During our investigation, several current and former BOEM employees told us that the expedited timeline resulted in departures or retirements of agency employees.

We did not assess or opine on the scientific quality of the SEIS, but the U.S. Environmental Protection Agency (EPA), the Federal agency charged with reviewing the scientific adequacy of Environmental Impact Statements (including SEISs), determined that the document contained “adequate information,” which is EPA’s highest rating for an SEIS.

BACKGROUND

In 2007, the Minerals Management Service (MMS)1 (currently known as the Bureau of Ocean Energy Management (BOEM)) issued a final environmental impact statement (EIS) that examined a proposal for oil and gas leasing in the Chukchi Sea along the northwestern coast of Alaska. In February 2008, MMS held Chukchi Sea Outer Continental Shelf (OCS) Oil and Gas Lease Sale 193 (Lease Sale 193), generating $2.6 billion in high bids for 487 leases. The EIS supporting the decision to hold Lease Sale 193 had been the subject of several rounds of litigation. On July 21, 2010, the U.S. District Court for the District of Alaska remanded the EIS to BOEM to “satisfy its obligations under the [National Environmental Policy Act] NEPA.” In response, BOEM released a final supplemental environmental impact statement (SEIS) on August 18, 2011.

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1 After the April 20, 2010 explosion of the Deepwater Horizon drilling rig in the Gulf of Mexico, then Secretary of the Interior Ken Salazar reorganized MMS into the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) in June 2010. On October 1, 2010, the Office of Natural Resources Revenue became a separate U.S. Department of the Interior office responsible for collecting revenue from mineral leases covering Federal lands. On October 1, 2011, BOEMRE was split into the Bureau of Safety and Environmental Enforcement and the Bureau of Ocean Energy Management (BOEM). The history of the Lease Sale 193 EIS spans several stages of this reorganization. For purposes of this report, we will refer to the bureau as BOEM.
On January 22, 2014, the U.S. Court of Appeals for the Ninth Circuit held that the 1-billion-barrel development-and-production scenario underpinning BOEM’s environmental impact analysis in the 2011 SEIS was “arbitrary and capricious,” and remanded the matter to the U.S. District Court for the District of Alaska. The District Court in turn remanded the SEIS to BOEM on April 24, 2014.


DETAILS OF INVESTIGATION

In November 2014, the Office of Inspector General (OIG) received information from an Alaska OCS regional environmental officer with the Bureau of Safety and Environmental Enforcement alleging potential scientific integrity misconduct and mismanagement issues related to the preparation of the second SEIS for Lease Sale 193. He alleged that non-scientist managers manipulated the scientific analysis and findings for political purposes.

During our investigation, BOEM employees also alleged that upper-level management established an expedited timeline for completing the SEIS that ultimately compromised its quality, and that management established this timeline to benefit the oil and gas industry.

To conduct our investigation, we compared the final SEIS with several draft versions, and we interviewed several BOEM Alaska OCS regional analysts and scientists, regional managers, the regional NEPA coordinator, a DOI Office of the Solicitor attorney, and BOEM and DOI executive managers.

Alaska OCS Regional Analysts and Managers Believed Expedited Timeline Had an Adverse Impact on Morale

When interviewed, the regional environmental officer stated that he had conversations with analysts who worked on BOEM’s Lease Sale 193 EIS. The analysts told the regional environmental officer that they believed BOEM managers significantly altered their findings and conclusions related to the EIS by changing the language in their analyses. He said that he could not provide details about the language changes, but he said that he advised the analysts to report their concerns to BOEM management.

The regional environmental officer said that one of the analysts who worked on the EIS for Lease Sale 193, a sociocultural specialist, was concerned enough about how her work product was being altered by BOEM management that she requested that her name be removed from the final EIS because it no longer represented her analysis, findings, or conclusions. According to the regional environmental officer, the sociocultural specialist left BOEM in November 2014. In addition to the name of the sociocultural specialist, the regional environmental officer provided the name of a BOEM wildlife biologist as another employee who believed that his analysis,
findings, and conclusions related to the EIS for Lease Sale 193 were significantly altered by BOEM management.

The sociocultural specialist who worked on BOEM’s Lease Sale 193 SEIS said that she was hired by BOEM in May 2013 to perform a NEPA analysis of how Lease Sale 193 would affect marine subsistence off the northern coast of Alaska.

The sociocultural specialist explained that based on the Federal District Court’s April 24, 2014 requirement for BOEM to issue an SEIS for Lease Sale 193, BOEM held an all-hands meeting on May 22, 2014, to establish a schedule for completing the SEIS. According to the sociocultural specialist, BOEM management set an ambitious schedule, including setting a goal of having a Record of Decision ready for departmental approval by March 2, 2015. The sociocultural specialist stated that she was responsible for four sections of the SEIS, including subsistence resources, sociocultural, public health, and environmental justice.

According to the sociocultural specialist, this effort was the first major SEIS that she had worked on, and she did not believe that BOEM management provided clearly defined guidance to the analysts. She explained that she and the other analysts were initially instructed by the BOEM managers leading the SEIS effort to cut and paste large amounts of the language that was previously published in the Lease Sale 193 EISs for their new SEIS sections. The sociocultural specialist said that she attempted cutting and pasting from the sections that she was responsible for but she quickly realized that the previous EIS versions did not contain any scientific research to support the findings. Accordingly, she needed to first identify scientific research and studies that pertained to her sections of responsibility and then entirely rewrite her sections and make conclusions based on the research and studies she identified.

The sociocultural specialist stated that by September 2014 she had already logged over 100 hours of compensatory time beyond her normal work schedule. She said that all of the other analysts similarly worked a considerable amount of overtime on the SEIS due to the ambitious schedule set by BOEM management. She said that she completed her sections and submitted them for management review on Friday, October 3, 2014.

When the sociocultural specialist’s supervisor returned her sections to her following his review, the sociocultural specialist noted that her public health section had been “gutted.” She said that her supervisor had removed all of the material she had included that explained what the section encompassed and how she analyzed the applicable research to reach the section’s conclusions. Her supervisor had also removed all of the diagrams she had created to help explain her findings.

According to the sociocultural specialist, her supervisor told her that “no one in management understood [the] public health section” and it was “too long.” She said that she tried explaining to him that she is a licensed public health official and that the terminology she used in her section was common public health terminology. She then told him that while BOEM managers—who are not licensed public health officials—may not understand the terminology she used, the true audience for that section would fully understand its meaning. Therefore, she did not understand how BOEM managers could modify her research and findings simply because they did not understand the professional terminology.
The sociocultural specialist further stated that she tried explaining to her supervisor that the research and analysis contained in her public health section led to her findings. She said that she had attempted to be as concise as possible while keeping in mind that she needed to support her findings.

Following her discussion with her supervisor about her SEIS sections, the sociocultural specialist said that a BOEM regional supervisor told her that she did not “like” the sociocultural specialist’s conclusions, and the sociocultural specialist needed to make changes. The sociocultural specialist said that she told the regional supervisor that she believed the conclusions were accurate and that no changes should be made.

After her discussion with the regional supervisor about BOEM management wanting to change her conclusions in the draft SEIS 2 days prior to its release for public comment in October 2014, the sociocultural specialist said that she decided she needed to leave BOEM. She said that she had become so disillusioned with BOEM’s approach to NEPA that she decided to take herself out of the process. The sociocultural specialist said that her last day at BOEM was November 18, 2014.

The sociocultural specialist stated that she did not understand why BOEM management was so intent on changing hers and other analysts’ work on the SEIS. She explained that she understood that under the NEPA process, the analysts performing the work document their research, analysis, and conclusions, and then publish the work product for public comment. Beyond basic grammatical editing, she did not understand BOEM management’s decisions to alter the scientists’ conclusions. Furthermore, BOEM’s changes to the analysts’ conclusions would not be supported by the research and analysis in the SEIS.

The sociocultural specialist said that she never read the publicly released draft SEIS to see if BOEM management had changed her conclusions, but she was certain that management had removed significant portions of her original draft sections.

Following her interview, we requested that the sociocultural specialist review the draft SEIS released by BOEM on October 31, 2014, to compare it to her original draft sections and point out how BOEM management may have changed her research, analysis, or findings without her approval or input. The sociocultural specialist later provided her draft sections and identified how her work differed from BOEM’s draft SEIS. While a comparison between the sociocultural specialist’s draft sections and the SEIS identified instances where content had been edited, we determined that BOEM management had not altered the sociocultural specialist’s scientific analysis and findings of environmental impacts.

A BOEM biologist detailed how his managers critiqued his writing ability when he submitted his draft section for review. He said that his supervisor, a BOEM regional manager, significantly edited his sections, but the editing did not alter his data, analysis, or findings. Rather, the editing involved style and formatting changes in an attempt to present the entire SEIS in “one voice.” The biologist explained that the “one voice” approach was used to make it easier for the reader by presenting all of the sections in a similar style even though several different analysts wrote the sections. He said that he had no concerns about the extensive editing to his section.
Another BOEM employee, a wildlife biologist, had worked on the 2011 and 2014 SEISs. He explained that the 2011 SEIS was essentially a “spin-off” of the original 2007 EIS. The 2011 SEIS, he said, added consideration of the production of natural gas but used the same oil-production scenario. Conversely, he said that the 2014 SEIS required an entirely new exploration and development scenario.

The wildlife biologist said that he was assigned two sections of the SEIS, including marine and terrestrial mammals. He believed that the timeline established by BOEM headquarters for completing the SEIS was too short. He said that BOEM’s regional managers and a deputy regional director all informed BOEM headquarters that the timeline could not be met. Ultimately, according to the wildlife biologist, it was unavoidable that the SEIS was significantly compromised due to this restrictive timeline.

The wildlife biologist stated that the aggressive timeline resulted in little collaboration between analysts. He explained that collaboration between analysts would be crucial to developing a thorough SEIS because all of the resources being analyzed in the SEIS were interconnected. Accordingly, he believed that collaboration was paramount to completing a thorough SEIS. He said, however, that the timeline restricted his collaboration with other analysts during the entire SEIS process to only approximately 15 to 45 minutes.

The wildlife biologist described how regional managers “talked over” him when he raised his concerns about the framework and timeline for the SEIS. He said that the analysts were told to simply make their deadlines.

A mineral leasing specialist for BOEM’s Alaska OCS Region said that he worked on the original 2007 EIS for Lease Sale 193 and on the 2011 SEIS. He did not work as an analyst on the 2014 SEIS, but he was assigned to review the four sections drafted by the sociocultural specialist. According to the mineral leasing specialist, BOEM management established a “very aggressive” timeline for completing the SEIS. He noted that the timeline for completing the 2011 SEIS was also tight, but not as aggressive as the timeline for the 2014 SEIS.

The mineral leasing specialist explained that the SEIS process was completed in order to assist DOI in deciding to “modify, vacate, or affirm” Lease Sale 193. He also stated that because DOI affirmed the lease sale after the completion of the 2011 SEIS, there was a perception in BOEM that DOI would similarly affirm the lease sale after completion of the 2014 SEIS.

An oceanographer and oil spill risk analysis coordinator in BOEM’s Alaska OCS Region informed us that in addition to her work on the 2014 SEIS, she also worked on the original EIS in 2007 and the first SEIS in 2011. According to the oceanographer, the court remanded the SEIS to BOEM in 2014 because the first SEIS only considered potential oil production from the initial discovery, which was projected to be only 1 billion barrels. The court’s remand directed BOEM to complete a secondary SEIS that would consider later discoveries, which are projected to be approximately 4.3 billion barrels.

The oceanographer explained that she prepared an exploration and development scenario for oil spill risk analysis that could be used by the other analysts in preparing the SEIS. She said that
BOEM had been updating a general circulation model, which was completed in 2013, and she used this model to run an oil spill trajectory analysis for the SEIS. The analysts then used this analysis to determine oil spill impact analyses for the SEIS.

Like other analysts, the oceanographer also noted the expedited SEIS timeline and said that she had never worked on an SEIS with such a short timeline in her 26-year career. According to the oceanographer, she reviewed some of the newer analysts’ sections to ensure the analysts used the correct technical language and probability figures. The expedited timeline, however, required that her review be “pretty quick.”

The oceanographer did not know whether DOI had already decided to approve Lease Sale 193 before the SEIS was completed. She said that if she had known that the decision had already been made, she would not have worked the extensive compensatory hours to meet the deadline.

A former fish biologist for BOEM’s Alaska OCS Region said that she was assigned to work on four sections of the SEIS. According to the fish biologist, she was assigned by BOEM management to work on the SEIS in early 2014 after the court had remanded the SEIS to BOEM. She said she and her scientific colleagues who were also assigned to the SEIS project were anxious to receive a timeline from BOEM management so they could start their work. She said, however, that the team did not receive a timeline from BOEM management until May 2014.

The fish biologist stated that she believed the timeline was “so crushed” that the quality of the SEIS was significantly compromised. She explained that she did not have enough time to review her own sections for scientific consistency, which is vital to any scientific work product. In addition, she stated that she was not provided any time to peer review other scientists’ sections to ensure consistency. The fish biologist stated that cross-discipline consistency review is even more important than reviewing your own work because the possibilities for discrepancies are far greater.

After submitting her sections for the draft SEIS in October 2014, the fish biologist said that she reviewed some sections from other disciplines and found inconsistencies in areas of water-quality chemistry between sections. She said that she wrote emails pointing out these discrepancies but was uncertain whether it was remedied because all the scientists were writing so rapidly to meet the timeline.

The fish biologist stated that she felt that the decision to affirm Lease Sale 193 had already been made before the SEIS was completed. She believed that the pressure to meet the timeline originated from upper management and came down through her direct supervisors.

Regarding the NEPA process in general, the fish biologist stated that she understood that NEPA required the EIS process to be completed as one “piece of the decision” of whether to move forward with a Federal project or authorization. She said that she fully understood that the EIS was not a conclusive document that dictated a certain decision. She believed, however, that DOI officials needed to consider the EIS prior to reaching their decision. Accordingly, while a decision may have already been made based on politics, she said, scientists performing the analysis in an EIS should not be told: “Just get it done because the decision has already been
made.” The fish biologist believed that this approach was “very disingenuous and dispiriting,” and resulted in her questioning why she should work hard to generate the finest product possible when DOI officials would not even consider it. As a result, she decided to retire from BOEM years earlier than she had planned so that she could regain her “personal and scientific integrity.” She retired in October 2014.

According to a former BOEM regional supervisor, the Office of Environment for BOEM’s Alaska OCS Region includes three sections. Two of these sections are Environmental Analysis sections and the third was called the Environmental Studies branch. The former regional supervisor said that these three sections collaborate to prepare EISs. The Environmental Studies branch conducts scientific studies that the Environmental Analysis sections then use to determine environmental impacts of a proposed Federal project or authorization (e.g., an offshore oil and gas lease). All of these scientific studies and analyses need to comply with Federal environmental laws, such as NEPA, the Endangered Species Act, the National Historical Preservation Act, and the Magnuson–Stevens Fishery Conservation and Management Act.

The former regional supervisor explained that based on the court’s January 2014 decision to remand the SEIS to BOEM, BOEM needed to create a new exploration-and-development scenario that more accurately represented the amount of foreseeable oil production under Lease Sale 193. In response to the court’s decision, in January or early February 2014, then BOEM Director Tommy Beaudreau stated that he planned to assemble an interdisciplinary team that would create the new scenario and then prepare the associated SEIS. In addition, Beaudreau needed to propose a new timeline for completing the SEIS and provide this timeline to the court.

In May 2014, Beaudreau proposed a timeline to the Alaska OCS regional managers to complete the final SEIS in February 2015 and to issue the Record of Decision in March 2015. According to the former regional supervisor, all of the Alaska OCS regional managers stated that they could not meet such a short timeline.

According to the former regional supervisor, Beaudreau remained the key decisionmaker regarding the SEIS for Lease Sale 193 even after being promoted to the Chief of Staff for the Secretary of the Interior in April 2014. Shortly after this promotion, Beaudreau held a conference call with the Alaska OCS regional managers stating that his original timeline must be met, despite their previous objections. The former regional supervisor said that none of the regional managers questioned Beaudreau’s direction because their opinions were being directly overridden by a senior DOI official.

The former regional supervisor explained that in November 2014, Beaudreau explained why he imposed this timeline, stating that he established the timeline to prevent DOI from being accused of prohibiting industry from drilling during the summer of 2015. The former regional supervisor said that this explanation made it clear to her that industry was communicating directly with departmental leadership on the status of the SEIS.

The former regional supervisor said that Alaska OCS Regional Director James Kendall met with her after the April 2014 call with Beaudreau and expressed agitation about her interactions with
Beaudreau. He was worried that she may have upset Beaudreau when she told him the timeline was unreasonable.

Based on Beaudreau’s timeline, the former regional supervisor said, she and her staff created a detailed timeline for completing the SEIS, which included due dates for each chapter and allotted time periods for in-house peer reviews. She explained that in-house peer reviews were vital to ensure consistency between the separate sections because all of the sections naturally overlap each other, but she could not allot ample time for these reviews because of the tight timeline.

In addition, the former regional supervisor said that BOEM expected to receive hundreds of thousands of public comments to the draft SEIS. While she acknowledged that many of these comments are mass-produced form letters, she said that others are unique and complex. Accordingly, it was incumbent on BOEM to provide in-depth, thoughtful responses to uphold the NEPA requirements. Under the imposed timeline, BOEM could only allot a 2-week period to respond.

The former regional supervisor stated that the overall quality of the draft SEIS was compromised due to Beaudreau’s aggressive timeline. According to the former regional supervisor, she had daily conversations with Kendall wherein Kendall would ask if her team would be able to meet the timeline. She responded that her team could meet the deadlines but the quality of the report would be compromised. According to the former regional supervisor, Kendall repeatedly offered to bring in more people to help complete the SEIS, although the former regional supervisor did not believe Kendall would bring in people with the right qualifications.

The former regional supervisor said that the SEIS team members mostly believed that DOI would confirm Lease Sale 193 regardless of the findings of the SEIS. She pointed out that such an unreasonable timeline would not have been created to afford industry the opportunity to begin drilling operations in the spring of 2015 if DOI had not already decided to affirm the sale. She stated, however, that no one in DOI ever told her directly that the decision had already been made.

The former regional supervisor acknowledged that DOI could potentially place certain restrictions or provisos on the leases based on the findings of the SEIS. She also stated that no one ever told her or her team how the SEIS needed to look or what the analysis and findings should say. According to the former regional supervisor, the bottom line regarding the SEIS was that her team was not provided the time needed to complete a quality product, and the document was compromised.

As a result of her experience on Lease Sale 193, the former regional supervisor ultimately resigned her position with BOEM. She believed that BOEM’s approach in completing the SEIS did not comport with how “good Government” should operate. She said that BOEM did not provide her the authority or the resources to complete the job in a correct and complete way. In late November 2014, the former regional supervisor said that she told Kendall to start looking for her replacement. She resigned from her position with BOEM on February 19, 2015.
Another BOEM regional manager said that when she started working for BOEM in February 2014, the court had just remanded the SEIS for Lease Sale 193. Like the other BOEM employees we interviewed, this regional manager described Beaudreau’s timeline for completing the SEIS as aggressive. She said that BOEM regional supervisors and other regional managers attempted to inform BOEM headquarters that the new scenario meant they needed to essentially start from scratch in preparing the SEIS and would need more time than provided in Beaudreau’s timeline to complete a quality SEIS. She said that headquarters responded by directing the region to meet the timeline.

The regional manager said that she and other managers created a detailed task schedule identifying when certain assignments need to be completed to meet Beaudreau’s timeline. She provided us with two versions of the detailed schedule. The first version was created at the beginning of the project and is dated May 19, 2014. The second version was a revised schedule and is dated October 28, 2014.

In addition to creating the task schedule, the regional manager said that the managers completed all the necessary paperwork for documenting the additional hours the analysts would need to work to meet the timeline. She explained that based on the timeline Beaudreau established, the managers knew that the analysts would need to work many hours beyond their normal work schedule. She observed that the timeline did not allow ample time for peer review between analysts. She said that this task schedule resulted in a situation where the region could complete the SEIS as directed by the timeline, but the overall quality of the SEIS was impacted.

The regional manager said that she understood the driving factor behind the aggressive timeline was DOI’s desire to complete the SEIS and issue a Record of Decision in March 2015 to allow the leaseholder, Shell, to drill during the spring and summer of 2015. She said that no one specifically told her this, but everyone working on the SEIS knew it to be the case.

The regional manager believed that the decision was probably already made to affirm Lease Sale 193 prior to completion of the SEIS, but she said that most projects requiring an EIS that she has worked on during her career have been approved. Accordingly, she said, she approaches the preparation of an EIS as an attempt to minimize, compensate, and mitigate adverse impacts of the proposed project.

Still another BOEM regional supervisor said that he was involved with creating the new exploration and development scenario required by the court’s remand. He said that he helped develop a scenario that could be reasonably analyzed under NEPA.

The regional supervisor stated that he assisted with creating the timeline originally proposed by the Alaska OCS Region, which BOEM headquarters later significantly compressed. He said that he was concerned about his division’s ability to meet the timeline established by Beaudreau. According to the regional supervisor, the region was essentially tasked with creating an entirely new EIS, versus a supplemental EIS, because they needed to analyze a new exploration and development scenario. Typically, he said, creating a new EIS takes approximately 2 to 3 years, not 7 months.
The regional supervisor said that while the timeline was ultimately met, he believed the regional employees suffered significantly. He observed that both team building and morale boosting were key components to being a successful division, yet the SEIS timeline established by headquarters proved to have a negative effect on his team’s cohesion and morale. According to the regional supervisor, while his team completed the SEIS, he could not say he was proud of the final product.

Like the other regional employees, the regional supervisor believed that BOEM headquarters established the compressed timeline to provide an option for arctic drilling in the summer of 2015, but he disagreed it was a good reason to compress the timeline.

When asked whether he believed the decision to affirm the lease sale was already made before the SEIS was completed, the regional supervisor stated that he “tried not to think about it.” He said that he chose to simply do the best job possible to create a quality SEIS that would assist DOI in making its decision.

A program analysis officer for BOEM’s Alaska OCS Region said that he was familiar with the legal iterations surrounding the SEIS and attended the appellate briefings concerning the SEIS. He said that based on his working knowledge of the SEIS and his legal background, he assisted with preparing the document and eventually became the SEIS project manager in the summer of 2014.

The program analysis officer said that headquarters informed the region that it imposed an expedited timeline because it feared that the court would enforce an even shorter period if BOEM did not propose an aggressive timeline. Later in the SEIS process, the program analysis officer said, DOI Assistant Secretary for Land and Minerals Management Janice Schneider publicly stated that DOI did not want to be blamed for preventing Shell from having a drilling season in 2015. The program analysis officer believed this reason was more logical and likely reflected the true motive for establishing the timeline.

According to the program analysis officer, BOEM headquarters established the timeline for completing the SEIS. It was his position that the region could meet any imposed timeline as long as headquarters understood that the quality of the SEIS and the quality of life of the BOEM employees would both suffer under an unreasonably short timeline.

The program analysis officer believed that the region did a “pretty good job—not a great job” on the SEIS considering the abbreviated amount of time provided to complete the project. He acknowledged that several items were left out of the final SEIS due to the rush to complete the document, but these items would not have greatly impacted the quality of the document.

The program analysis officer stated that the time allotted for responses to the public comments following the release of the draft SEIS, was “very abbreviated,” and the “most aggressive component of the entire [SEIS] schedule.” He explained that the region received hundreds of thousands of comments that required a procedurally correct response, and that this process simply takes time. He noted that failure to meet the procedural NEPA requirements would open the document up to legal challenge. According to the program analysis officer, the short timeline
prevented him from being as “deliberate” in responding to the public comments as he would have preferred. He concluded by stating that he had decided to leave BOEM and this decision was directly related to the workload associated with the Lease Sale 193 SEIS.

A lease sale supervisor said that BOEM requested he be involved with the Lease Sale 193 SEIS due to his 35 years of experience as an attorney and his 15 years of experience in private practice suing Federal agencies over NEPA decisions, including EISs and environmental assessments. Due to his extensive experience challenging Federal NEPA decisions in the past, the lease sale supervisor stated that management asked him to review and assist in writing the more difficult portions of the SEIS with a focus on “playing the devil’s advocate.”

The lease sale supervisor said that in early 2014 he was part of the 10-member regional task force assigned to determine the next steps and a proposed timeline for completing the SEIS. He said that based on his experience, he was not surprised that BOEM headquarters established a timeframe for completing the SEIS that would allow Shell to start drilling operations in the summer of 2015. He did say, however, that he did not agree with Beaudreau’s statement that the court would impose such a timeline if BOEM did not. According to the lease sale supervisor, the courts do not typically override a recommended timeline without significant reason to do so.

After learning of the timeline established by BOEM headquarters, the lease sale supervisor stated that, as a former litigator of NEPA decisions, he believed an agency could not meet the “ridiculous” timeline with a thorough, competent SEIS.

Following completion of the draft SEIS, the lease sale supervisor said that he was “one of the very few” who read the entire document. He explained that he made many notes where he believed the document had weaknesses and could be challenged. The region attempted to address his notes within its restricted timeframe. Despite BOEM’s attempts to strengthen the document, it was the lease sale supervisor’s legal opinion that the SEIS was nowhere near the quality it could have been if the region had been provided the time it needed to create a quality product.

According to the lease sale supervisor, the Office of the Solicitor spent very little time reviewing his suggestions to strengthen the SEIS. He explained that the attorneys had made it clear to him that they did not value his opinions and advice. In addition, he believed that the attorneys did nothing to assist the region in preparing the SEIS. The lease sale supervisor said that it appeared obvious to him that headquarters was not worried about an additional legal challenge, because in his legal opinion, the SEIS was “challengeable.”

The lease sale supervisor stated that he believed that DOI could not possibly make an objective decision to affirm or to vacate the lease sale because to vacate would result in DOI refunding $2.6 billion in lease-sale revenue to the lessees.

The deputy regional director said that she assisted in creating the regional task force assigned to determine the timelines and strategies for completing the SEIS, and she worked on establishing the region’s proposed timeline for the project. According to the deputy regional director, the region submitted a proposed timeline to headquarters that projected completion of the SEIS at
the end of the 2015 summer, but headquarters rejected it in favor of a timeline that would allow for a Record of Decision by March 2015.

The deputy regional director stated that she thought the region would meet the much-abbreviated timeline, but it would need support from headquarters in doing so. She explained that the region told headquarters that it would require personnel support, the ability to provide compensatory time for extra hours worked by regional employees, and headquarters’ direction that extensions would not be granted for review periods, including any extensions requested by the Office of the Solicitor.

During the SEIS process, the deputy regional director said that she had heard some regional employees express the belief that headquarters rushed the timeline to complete the SEIS “for Shell.” According to the deputy regional director, this belief resulted in a great deal of resentment by the regional employees. She believed that headquarters should tell the regional employees why extensive overtime was needed, and eventually Schneider relayed this information.

When asked if she believed that the harmful effects on the regional managers and analysts during the SEIS process was a direct result of the expedited timeline, the deputy regional director observed that individual employees handle stressful situations differently. She explained that some employees simply are “not performers,” and therefore their managers had to step in and carry some of the burden.

When asked if she believed DOI had decided to affirm the lease sale before the SEIS was completed, the deputy regional director stated that it was likely because it had done so after the completion of the 2011 SEIS.

The NEPA coordinator assigned to coordinate the Lease Sale 193 SEIS stated that her duties as the NEPA coordinator included coordinating the writing and compiling of all the sections that make up the SEIS, along with establishing deadlines and calendars for the analysts working on the NEPA documents. She also provided guidance and instruction to the analysts regarding NEPA document requirements. According to the NEPA coordinator, she also worked with Alaska OCS regional managers, BOEM’s headquarters, DOI’s Office of the Solicitor, and the writer-editors assigned to work on the SEIS. She coordinated all of these groups to ensure the more than 700-page SEIS was completed and ready for public consumption.

The NEPA coordinator also believed the expedited timeline was too demanding and ultimately resulted in a great deal of pressure and stress placed on the managers and writer-editors to compile and fine-tune a satisfactory SEIS document.

According to the NEPA coordinator, the Office of the Solicitor and BOEM headquarters provided very little support to the Alaska OCS Region in preparing the SEIS. She further stated that the attorneys provided only unsupported opinions not backed by case law and made many unnecessary comments and suggestions to the draft SEIS close to the deadline, which ultimately hindered, rather than helped, the process.
The NEPA coordinator also confirmed the belief that BOEM imposed the expedited timeline to afford Shell the opportunity to drill during the summer of 2015. Regardless of the motive or reasons, she believed that headquarters sacrificed good people by demanding that the Alaska OCS Region meet the timeline. The NEPA coordinator believed that the expedited timeline, the failure of many analysts to meet the necessary deadlines, and the absence of support from headquarters and the Office of the Solicitor resulted in the final SEIS being “absolutely compromised” and “full of errors.”

An attorney advisor with DOI’s Office of the Solicitor who worked on the SEIS believed that BOEM needed to establish a short, but reasonable, timeline for completing the SEIS or else the court would establish a timeline for BOEM. She explained that this was an important consideration in establishing the timeline because the court had a history of supporting industry in requiring short timelines.

The attorney advisor said that she had no doubt that the Alaska OCS Region could meet the timeline Beaudreau established; however, she confirmed the Alaska OCS Region staff did not agree with Beaudreau’s timeline. She explained that the SEIS was a supplemental EIS, not a new EIS, and therefore much of the formatting had already been completed. The region only needed to change the volume of oil production and resources affected. She acknowledged that it was an extensive document but not an entirely new document.

When asked if she knew that several analysts working on the SEIS stated that they did not have time to conduct internal peer reviews of other analysts’ sections, the attorney advisor said that she was unaware of the region skipping any of the required processes in completing the SEIS.

The attorney advisor believed that DOI was open-minded in reaching its decision to affirm, modify, or vacate Lease Sale 193. She stated that she legally advised DOI officials that they must be open-minded in reaching their decision and cannot take into consideration that the leases have already been issued. She explained that opponents of the lease sale had argued to the court that the leases should have been vacated prior to completing the SEIS so that DOI would not be biased in making its ultimate decision, but DOI successfully argued that it could be open-minded without vacating the leases.

**Response From BOEM and DOI Executive Managers**

BOEM’s Alaska OCS Regional Director James Kendall stated that he is the executive for the region, and his duties include working with executives of the other DOI bureaus in Alaska and Washington, DC. Accordingly, he did not attend many task force meetings held in the Alaska OCS Region related to the Lease Sale 193 SEIS. He explained that two regional managers led the task force to determine timelines and strategies in completing the SEIS process and establish the region’s proposed timeline for the project. These regional managers kept Kendall informed about the SEIS process. Kendall confirmed that the region proposed a projected completion date in August 2015 but that headquarters wanted a Record of Decision by March 2015.

According to Kendall, one of the regional managers told him it was impossible to complete the SEIS in that timeframe. Kendall said that in contrast to this manager’s outlook, the other regional
manager had more extensive experience working with NEPA and viewed the task, similarly to Kendall, as a challenge that simply needed to be met.

Kendall said that the region took all of the steps necessary to meet this challenge by bringing in extra people from other regions and agencies. Moreover, he said, the region received approval from headquarters for compensatory time and overtime for the employees working on the SEIS. The region requested that two attorneys from the Office of the Solicitor be assigned to the effort.

Kendall noted that as the region commenced working on the SEIS, one of the regional manager’s told him repeatedly that she believed that the SEIS would be significantly compromised because of the expedited timeline, and she did not want to be associated with it. According to Kendall, he told her to stop her “naysaying” and to instead encourage employees working on the project to meet the challenge and produce a quality product.

Despite the belief of many that the timeline could not be met, Kendall said that the SEIS was completed on schedule. He stated that he is not a NEPA expert, but he read the entire document and believed the SEIS was an outstanding product.

When asked whether he thought the timeframe was unreasonable, he explained that he recognized the challenge when the region first learned about the timeline. He said that he initially understood the reason for the expedited timeline was that Beaudreau wanted to show the court that BOEM took its responsibilities seriously. He said, however, that Schneider later informed the region while on a trip to Alaska that DOI had implemented the expedited timeline to avoid blame for preventing Shell from having a 2015 drilling season. Kendall said that he never received any indication from headquarters that BOEM imposed the March 2015 timeline to benefit Shell.

Kendall said that Shell contacted him during the SEIS process in an attempt to tell him the agency’s responsibility regarding Lease Sale 193 and the SEIS. According to Kendall, he responded to Shell that his responsibilities were to the laws and the people of the United States. Kendall stated that he had never heard anyone from BOEM state that the decision to affirm the lease sale had been made before the SEIS was completed. He noted, however, that considering how much research and analysis had already been completed, and the fact that the lease sale had already occurred and been affirmed once before, he anticipated that DOI would reaffirm the sale after completing the SEIS.

Walter Cruickshank, the deputy director of BOEM, stated that BOEM established the timeline for completing the SEIS prior to his significant involvement in the process. He said that he was told that the timeline was created through conversations about the feasibility of completing the SEIS prior to the 2015 arctic drilling season. He stated that Kendall informed headquarters that the region could meet the timeline. He said, however, that Kendall took certain actions to assist the region in meeting the timeline, including making other subject matter experts available, ensuring attorneys were readily available, and minimizing non-SEIS-related assignments. Regardless, Cruickshank believed that meeting the timeline would require a significant effort by the region.
Cruickshank said that he eventually learned that Beaudreau established the aggressive timeline for completing the SEIS due to Beaudreau’s fear that BOEM would become a target of the congressional delegation from Alaska and the oil and gas industry if BOEM did not complete the SEIS before the spring of 2015. According to Cruickshank, Beaudreau was concerned that DOI would be vulnerable to criticism from the State of Alaska and the local press if Shell did not have the opportunity to conduct drilling activities during the 2015 open-water season. Cruickshank confirmed that Beaudreau stated this reason for the aggressive timeline to BOEM managers working on the SEIS during a video conference call in November 2014.

Cruickshank admitted that how the SEIS “played out” in the region was “not something we [were] wild about.” He noted that the stress and burdens placed on the BOEM employees trying to meet the aggressive timeline was costly.

Cruickshank said that he traveled to Alaska one time during the SEIS process. He told us that his involvement with the SEIS process picked up only after Beaudreau became the Chief of Staff for the Secretary of the Interior in May 2014. Upon becoming significantly involved in the process, Cruickshank said, he learned that some regional staff believed that they could not meet the timeline, but he did not believe that this feeling was unanimous.

Cruickshank stated that concerns about meeting the timeline were mostly relayed to him by Kendall. He noted, however, that the two regional managers also spoke to him about their concerns directly. In addition, Cruickshank acknowledged that he became aware of resignations and retirements in the Alaska OCS Region spurred by the SEIS process. He said that these actions concerned headquarters, and he spoke with Kendall about these concerns.

Cruickshank believed, based on his conversations with regional staff, that while the editing and compilation of the final document might have suffered due to the short timeframe for internal review, the science underlying the document would be solid. He said that he had no concerns about the scientific quality of the SEIS, and he did not believe the SEIS would be vulnerable to any challenges based on faulty scientific analysis. Cruickshank added that the U.S. Environmental Protection Agency (EPA) reviewed the draft SEIS and rated it well.

Cruickshank said that Shell did not contact him directly regarding the SEIS, but he was certain the company had contacted DOI about the matter. He said that he thought Shell may have hoped that BOEM would not complete the SEIS prior to the 2015 arctic drilling season so that the company could request an extension of its lease.

When asked if he knew whether DOI had been predisposed to affirm the lease sale before the SEIS was completed, Cruickshank pointed out that the decision to affirm, modify, or vacate the lease sale had not yet occurred. He said that he trusted the Secretary or the Deputy Secretary of the Interior to make the decision regarding Lease Sale 193 based on all of the information, including the analysis in the SEIS.

*Agent’s Note: We interviewed Cruickshank prior to DOI issuing the Record of Decision in March 2015.*
Regarding his impression about the overall SEIS process, Cruickshank said that he “would never want to put the region through something like that again.” He further commented that “in retrospect, we should have looked at ways to lessen burdens on folks” earlier in the process, such as using more contractors to assist in the analysis.

We interviewed Beaudreau, who explained that in 2012, the year after DOI completed the first SEIS and affirmed the lease sale, Shell proceeded with exploration activities in the region but suffered several well-publicized setbacks. The setbacks caused BOEM to conduct a complete review of Shell’s work. This review, which was led by Beaudreau, included recommending steps that Shell would need to take if the company was to propose a future drilling program in Alaska. The report on this review was issued in March 2013. In the fall of 2013, Shell submitted a proposal for exploration activity for the 2014 season. After the District Court of Alaska remanded the SEIS to BOEM in April 2014, however, Shell withdrew its exploration plan due to the uncertainty surrounding the litigation, and BOEM suspended the leases.

According to Beaudreau, BOEM subsequently began to develop a plan to address the Ninth Circuit Court’s ruling. A series of meetings were held involving Office of the Solicitor and BOEM staff and the consensus was that BOEM should focus on the specific issue raised by the Ninth Circuit, which was the production and development scenario. Office of the Solicitor and BOEM staff also agreed that BOEM’s new calculations would consider all available information and not just information that was available in 2007 when the original EIS was completed.

Beaudreau said that the next task was to set a schedule for completion of the work. Based on previous experience, everyone knew that the Alaska Court would want a schedule quickly, and that the court would be focused on the timeline. Everyone at BOEM also knew that the Alaska Court would want to know if BOEM would complete the additional analysis in time for Shell to potentially move forward with exploration in 2015. According to Beaudreau, he believed that if BOEM did not propose an aggressive timeline that would potentially allow Shell to move forward in 2015, the Alaska Court would impose one.

Beaudreau recalled a final meeting that occurred in approximately February or March 2014, where he had the proposed schedule in front of him. BOEM’s Alaska OCS Region staff and Office of the Solicitor attorneys were present for the meeting. During the meeting, Beaudreau told the staff the draft had to be completed by the end of October. He also told the group that BOEM had to put whatever resources it had at its command from across the bureau into conducting a thorough analysis and completing the work. BOEM knew that its work would be scrutinized, and therefore meeting the timeline was only part of the objective. Beaudreau told the meeting attendees that the SEIS had to withstand judicial scrutiny.

Beaudreau told the group, as well as Cruickshank, that he wanted all necessary resources devoted to the project, and that he would authorize overtime. He also suggested that personnel from the Gulf of Mexico or elsewhere be considered for the project and that attorneys from DOI’s Office of the Solicitor should be embedded in the effort to streamline the process.

Beaudreau said that he considered two additional factors when developing the timeline. First, he said, he knew that the Alaska congressional delegation, including Senator Lisa Murkowski,
would be focused on how BOEM was going to manage this work and would criticize BOEM if the work was not completed in a timely manner. Beaudreau said it was part of his job to protect BOEM and DOI from this kind of criticism. Beaudreau also knew that Congress could impact BOEM’s budget and authority, and he did not want to give it a reason to do so.

Second, Beaudreau said, he was concerned about the timeline from Shell’s perspective. His concern, however, was not that the analysis be completed so Shell could move forward. Instead, it was that the analysis be completed so Shell could not blame BOEM if the company elected not to proceed in 2015 for its own internal reasons. Shell’s arctic program was under scrutiny within the company, said Beaudreau, because of the huge expenses Shell had incurred and the many issues it had encountered in 2012. Beaudreau said that it would not be unexpected for industry’s failures to be characterized by industry and Congress as a regulatory failure. Beaudreau opined that this had occurred during the Deepwater Horizon oil spill incident in the Gulf of Mexico in 2010. Regarding the company itself, Beaudreau said that he had significant experience with Shell, and he felt no urgency for it.

Beaudreau said that while he had phone conversations with Shell concerning the SEIS, he did not recall any in-person meetings about the schedule. Shell also sent Beaudreau a PowerPoint or similar document regarding the schedule and Beaudreau said it reinforced his theory that Shell would put pressure on BOEM, both through the court and Congress. Beaudreau noted that he did not refer to Shell’s schedule and did not ask anyone to conform to it.

In May 2014, Beaudreau left his job as the BOEM Director and Acting Assistant Secretary for Land and Minerals Management and became the Chief of Staff for the DOI Secretary. He continued to stress to both Cruickshank and Kendall that they should use all resources necessary to complete the analysis correctly. Beaudreau said that he could think of no instances between approximately May 2014 and the time the draft SEIS was issued when someone came to him and expressed concerns about the quality of the work. He said that no one ever told him that scientists were being overworked or that the analysis was faulty. In addition, Beaudreau did not recall Cruickshank or anyone else telling him that the analysis was inadequate in some way or that it could not be done. Beaudreau said that he knows Kendall well, and he was confident that if Kendall had such concerns he would have raised them, either through Cruickshank or directly with him. No regional manager ever approached Beaudreau and told him that the timeline could not be met.

According to Beaudreau, if anyone had raised concerns about the quality of the work on the SEIS, he would have adjusted the timeline or taken other steps to address these concerns. Beaudreau reiterated that everyone understood that the work was going to be heavily scrutinized, and everyone was expecting that the matter would eventually be appealed a second time to the Ninth Circuit. As a result, no one believed that an inferior work product would go unnoticed.

Beaudreau told Cruickshank that he did not want the regional employees to feel that they had been put into a difficult situation and then forgotten. Beaudreau said that he knew the employees were working extremely hard and that their morale was probably suffering. Beaudreau and Cruickshank then agreed that it would make sense for Beaudreau to visit the Alaska BOEM
office and let the employees know he had not forgotten about them. The trip was scheduled but had to be canceled due to a conflict.

Beaudreau, however, attended a meeting with staff by video conference. During the discussion, Beaudreau told the staff that he knew how hard they had been working, that they were making sacrifices to get the SEIS done, and that he appreciated their efforts. He also told them that he had asked them to do this because he did not want BOEM to be accused of failing. Beaudreau asked for questions and feedback, but, he said, not many people spoke. Beaudreau said that he recently learned that as many as six employees in the Alaska OCS Region office may have resigned or retired early as a result of their concerns with the timeline and resulting SEIS.

Regarding the quality of the SEIS, Beaudreau said that he had not read the entire SEIS, but based on what he had read he felt it was a good work product. He also spoke to Kendall, who said he was satisfied with it and that it was thorough. Beaudreau said that he was certain that DOI officials would review all relevant information before making their decision to affirm, modify, or vacate the lease sale. Beaudreau had no reason to believe that DOI had already decided to affirm Lease Sale 193.

Agent’s Note: We interviewed Beaudreau prior to DOI issuing the Record of Decision in March 2015.

U.S. Environmental Protection Agency Review of SEIS

According to EPA:

The Environmental Protection Agency (EPA), like other federal agencies, prepares and reviews NEPA documents. However, EPA has a unique responsibility in the NEPA review process. Under Section 309 of the Clean Air Act, EPA is required to review and publicly comment on the environmental impacts of major federal actions, including actions which are the subject of EISs. If EPA determines that the action is environmentally unsatisfactory, it is required by Section 309 to refer the matter to [the Council on Environmental Quality] CEQ.

EPA conducts a two-prong process to review draft EISs, rating the environmental impact of the proposed action and also the adequacy of the EIS document. According to EPA, “the rating system provides a basis upon which EPA makes recommendations to the lead agency for improving the draft EIS.”

On December 16, 2014, EPA issued a comment letter on the draft SEIS for Lease Sale 193, which assigned a rating of “EC-1” (Environmental Concerns-Adequate Information) to the draft SEIS. Accordingly, EPA determined that BOEM’s draft SEIS document received its highest rating of “Adequate,” but it “identified environmental impacts that should be avoided in order to fully protect the environment.”
In assessing the environmental impact of a proposed action being considered in an EIS, EPA assigns the draft EIS with one of the following four ratings: Lack of Objections (LO), Environmental Concerns (EC), Environmental Objections (EO), or Environmentally Unsatisfactory (EU). An EC rating is assigned if EPA’s review has “identified environmental impacts that should be avoided in order to fully protect the environment.”

EPA rates the adequacy of a draft EIS by assigning a rating of Adequate, Insufficient Information, or Inadequate. An Adequate rating indicates that EPA has determined that “the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.”

On March 23, 2015, after the final SEIS was issued, EPA issued a comment letter for the final SEIS on March 23, 2015, which affirmed EPA’s December 2014 rating of the draft SEIS as “EC-1.” EPA’s March 23, 2015 comment letter additionally acknowledged that BOEM incorporated the information EPA requested in its December 16, 2014 letter into the final SEIS, and concluded by stating that EPA has “no additional comments or recommendations to offer.”

**SUBJECT(S)**

BOEM Management.

**DISPOSITION**

We provided a copy of this report to Deputy Secretary Michael L. Connor for action he deems appropriate.
U.S. Department of the Interior’s Response
Memorandum

To: Mary Kendall
Deputy Inspector General

From: Michael L. Connor
Deputy Secretary

Subject: Report of Investigation – Management Interference with Lease 193 EIS
Case No. OI-OG-15-0080-I

I have reviewed the Office of Inspector General (OIG) Report of Investigation entitled: Management Interference with Lease 193 EIS (Case No. OI-OG-15-0080-I), dated October 30, 2015. I commend your staff on their work to determine (1) whether leadership from the Bureau of Ocean Energy Management (BOEM) or elsewhere from the Department of the Interior (DOI) manipulated the scientific analysis and findings in the second supplemental environmental impact statement (SEIS) prepared for Oil and Gas Lease Sale 193; (2) whether an overly aggressive timeline was set for the SEIS that compromised its quality and was established for the purpose of benefitting the oil and gas industry; and (3) whether DOI officials determined that the lease sale would be affirmed prior to the completion of the SEIS.

Based on the investigation you conducted and the evidence presented, I agree with the Report’s first conclusion that any edits made by non-scientific managers to the draft SEIS did not change the scientific analysis or findings.

The evidence presented in your Report also affirms that while the aggressive schedule may have adversely affected morale of the staff, the timeline did not compromise the quality and thoroughness of the document as a basis for decisionmaking by DOI officials. As directed by the U.S. Court of Appeals for the Ninth Circuit, BOEM employees prepared a robust analysis that estimated the full range of production levels from offshore oil fields that might be developed in the Chukchi Sea as well as the related potential environmental effects of the lease sale. This analysis was integral to presenting the public and the Agency with sufficient information about the potential impacts of the lease sale, as required by the National Environmental Policy Act. As noted, the U.S. Environmental Protection Agency affirmed this conclusion when it assigned the SEIS its highest rating and determined that the document “adequately [set] forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action.”

Finally, as to the allegation that DOI officials were predisposed to affirm the lease sale regardless of the outcome of the SEIS, I can assure you that we reviewed all of the available information, including the conclusions in the SEIS, before ultimately deciding to affirm Lease Sale 193.
Secretary Jewell and I take allegations of potential scientific integrity misconduct seriously and appreciate the Report illustrating that while the aggressive schedule set for the EIS imposed hardships on BOEM staff, the quality of the analysis and integrity of the decisionmaking process was maintained. At the same time, we are mindful that Federal employees all across the Federal Government, including within DOI, are faced with difficult challenges every day – with increasing workloads and demands while available resources become more and more constrained. I commend the work of the BOEM staff who worked very hard to address the inadequacies found by the court. As detailed in your Report, leadership was sympathetic to those challenges and sought to adequately compensate employees for their overtime work and identify additional resources to assist in the effort.

Nevertheless, I understand that morale suffered during this time. I have met with leadership from BOEM to discuss the findings of the Report, and we are continuing our efforts across DOI to encourage retention and boost morale. The BOEM leadership, for example, is in the process of creating a new leadership development initiative to provide its high performing staff with professional growth opportunities.

Given that the Report did not find any evidence of wrongdoing on the part of any employees involved in this matter, we are not taking further action specific to this investigation.

Thank you again for your work on this matter.