

Exhibit 7




OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

NOV 09 2010

Memorandum

To: Secretary Salazar

From: Mary L. Kendall 
Acting Inspector General

Subject: Report of Investigation – Federal Moratorium on Deepwater Drilling
Case No. PI-PI-10-0562-I

The Office of Inspector General (OIG) completed its investigation into the allegation that senior U.S. Department of the Interior (DOI) officials, in an effort to help justify their decision to impose a 6-month moratorium on deepwater drilling in the Gulf of Mexico, misrepresented that the moratorium was reviewed and supported by a group of scientists and industry experts.

The scientists and industry experts who peer reviewed the safety recommendations contained in the 30-Day Report to the President, relative to deepwater drilling operations in the Outer Continental Shelf, expressed concern that the Executive Summary to the 30-Day Report – which contained a policy decision by the Secretary of the Interior to recommend a 6-month moratorium on deepwater exploratory drilling – was worded in a manner that implied that the experts had also peer reviewed and supported this policy decision.

All DOI officials interviewed stated that it was not their intention to imply that the moratorium had been peer reviewed by the experts, and that when the experts' concern was brought to their attention, they promptly issued an apology to the experts via conference call, letter, and personal meeting.

The OIG reviewed the final email exchange regarding the Executive Summary between DOI and the White House. In the version that DOI sent to the White House, the moratorium was discussed on the first page of the Executive Summary, while the peer review language was on the second page of the Executive Summary, immediately following a summary list of the safety recommendations contained in the body of the 30-Day Report. The version that the White House returned to DOI had revised and re-ordered the language in the Executive Summary, placing the peer review language immediately following the moratorium recommendation. This caused the distinction between the Secretary's moratorium recommendation – which had not been peer reviewed – and the safety recommendations contained in the 30-Day Report – which had been peer reviewed – to become effectively lost. Although the Executive Summary underwent some additional minor editing, it was ultimately published on May 27, 2010, with the peer review language immediately following the moratorium recommendation, resulting in the implication that the moratorium recommendation had been peer reviewed.

The OIG also reviewed the provisions of the Information Quality Act (IQA) relative to the findings from our investigation to address the question of whether or not the IQA had been violated.

The IQA directs the Office of Management and Budget (OMB) to issue Government-wide guidelines that “provide policy and procedural guidance” designed to ensure the integrity of “information . . . disseminated by Federal agencies.” The guidelines define “information” to mean “any communication or representation of knowledge such as facts or data.” The IQA policies concentrate on “reliable methods and data sources,” reproducibility, “transparency about data and methods,” and administrative methods for correcting disseminated information.

The IQA guidance requires agencies to apply the standards “flexibly, and in a manner appropriate to the nature and timeliness of the information to be disseminated.” IQA guidelines create a process for “affected persons” to challenge and obtain the correction of “disseminated information,” although the OIG is not aware of the Department’s receipt of any such challenge to the 30-Day Report.

While the 30-Day Report’s Executive Summary could have been more clearly worded, the Department has not definitively violated the IQA. For example, the recommendation for a moratorium is not contained in the safety report itself. Furthermore, the Executive Summary does not indicate that the peer reviewers approved any of the Report’s recommendations. The Department also appears to have adequately remedied the IQA concerns by communicating directly with the experts, offering a formal apology, and publicly clarifying the nature of the peer review.

If you have any questions about this report, please do not hesitate to contact me at 202-208-5745.