December 20, 2018

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RE: Possible Violation of Ethics Recusal Agreement from Deputy Secretary David Bernhardt

Dear Ms. Kendall,

I am writing today on behalf of Greenpeace USA and the Center for Biological Diversity and more than two million supporters across the United States who care deeply about protecting our federal lands and waters and halting dangerous climate change.

Deputy Secretary of the Interior David Bernhardt will likely assume the role of Acting Secretary on January 3, 2019, and has been mentioned as a possible pick to replace Secretary Ryan Zinke. Greenpeace USA has previously voiced concerns about ethical questions surrounding Mr. Bernhardt. On August 7, 2017, following Mr. Bernhardt’s confirmation as Deputy Secretary, Greenpeace USA sent a letter to the DOI Ethics Office asking him to recuse himself on matters relating to the Antiquities Act, the Endangered Species Act, and both onshore and offshore oil and gas leasing.¹ That letter was never answered, but Bernhardt pledged to recuse himself from particular matters involving his former clients for a period of one to two years.²

Since that date, our concerns have only increased. During Deputy Secretary Bernhardt’s tenure, the Interior Department has engaged in a wide-ranging rollback of policies and regulations protecting endangered species and public lands that have been openly touted as benefiting private companies, especially the oil and gas industry. Mr. Bernhardt brought with him to the job a long list

¹ Leonard, A. 2017. RE: Recusal of Deputy Secretary David Bernhardt from decisions that may benefit his former clients at Brownstein, Hyatt, Farber, and Schreck, LLP. Greenpeace USA. August 7. [link]
² Bernhardt, D. 2017. Subject: Ethics Recusal. August 15. [link]
of former clients from his work with the lobbying firm Brownstein Hyatt Farber Schreck (BHFS),\(^3\) many of whom are now benefiting from Bernhardt’s policy actions.\(^4\)

There have been troubling indications that Mr. Bernhardt has held undisclosed meetings with oil industry lobbyists,\(^5\) which raise concerns that the recusal has not been honored. Reporting by the *Washington Post* and other outlets raised the question of whether his recusals are mere formalities to mask his ongoing, inappropriate relationships with former clients who stand to benefit from his actions at Interior.\(^6\)

This combination of an aggressive rollback of public protections, the large number of former clients who could potentially benefit from this rollback, and the lack of transparency around Departmental actions has undermined the public trust and fed the perception of corruption. Given Bernhardt’s long list of former clients and the extremely broad scope of his work in the Department, the public deserves greater transparency about the scope and completeness of his recusal. To bring clarity to these matters, Greenpeace USA and the Center for Biological Diversity call for:

- A complete list of which individuals and groups Mr. Bernhardt has met or communicated with in person or via email, letter, phone call or text since his 2017 confirmation, including the participants in each external meeting listed on his public calendar--and meetings that were excluded from his public calendar--with agendas to indicate what was discussed.
- Investigations by the Department of Interior Ethics Office into a number of potential conflicts, which we detail below.
- A continuation of Mr. Bernhardt’s recusal from matters involving his former clients beyond the one-year time period, and going forward, additional recusal from any matters where a reasonable person might consider his actions to benefit his former clients.

**Bernhardt’s Close Ties to the Oil and Gas Industry**

The work and associations of Bernhardt’s former employer BHFS raise questions about his ability to manage federal lands and waters in a way that does not directly or indirectly benefit BHFS clients. In his ethics filings, Bernhardt committed to recuse himself from “particular matters” involving his former clients for one to two years.\(^7\) The public has a substantial interest in understanding whether or not Mr. Bernhardt honored this pledge in any meaningful way. David Bernhardt founded and chaired the Natural Resources Department at BHFS, meaning that he lead most and oversaw all of BHFS’s energy work.\(^8\) His former clients include energy companies and

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\(^3\) Brownstein Hyatt Farber Schreck website. Access Dec. 18, 2018. [link]

\(^4\) The Center for Western Priorities documents 19 specific examples. See: Prentice-Dunn, J. 2018. Walking Conflict of Interest. Center for Western Priorities. December 17. [link]


\(^6\) Eilperin, J. 2018. Zinke’s #2 has so many potential conflicts of interest he has to carry a list of them all. *Washington Post*, November 19. [link]

\(^7\) Bernhardt, D. 2017. Subject: Ethics Recusal. August 15. [link]

trade associations that could potentially stand to benefit from Department of Interior decisions involving offshore and onshore oil and gas leasing, the Antiquities Act, and the Endangered Species Act. Some of these connections include the following:

- Oil and gas companies who are current or former clients of BHFS and of Bernhardt include Cobalt International Energy, Eni Petroleum, Halliburton Energy Services, Noble Energy, Sempra Energy, Statoil Gulf Services, Targa Resources, and Taylor Energy. Oil and gas industry associations who are current or former clients include the Independent Petroleum Association of America ("IPAA"), the National Ocean Industries Association ("NOIA"), and the U.S. Oil and Gas Association ("USOGA").

- IPAA paid BHFS $158,494 in 2014. IPAA is a lobbying group funded by oil and gas corporations. Members of IPAA include companies with significant leases granted by the DOI. In March 2018, the IPAA thanked David Bernhardt for revising aspects of DOI protections of an endangered species, the western sage grouse, which lives on land that oil companies want to use for extraction.9,10

- The Colorado Oil and Gas Association (COGA) represents some of the largest onshore oil and gas corporations in the US.11 In 2014, COGA paid BHFS $643,838,12 and Bernhardt directed a team of lawyers that successfully argued to overturn local laws that banned fracking in Longmont, CO.13,14 Despite this history, COGA was not among the groups listed in David Bernhardt's lobbying client disclosure to the U.S. Senate, nor in his ethics recusal pledge.15

- Bernhardt is closely tied to the Western Energy Alliance (WEA), a lobbying arm of the oil and gas industry. BHFS partner Mark Matthews is an advisor to WEA. Bernhardt worked closely with Matthews in BHFS’s energy practice, and oversaw Matthews’ work during the COGA litigation, mentioned above.16 WEA promises its members “aggressive media and public relations messaging” and to “actively influence regulatory actions and legislation on behalf of your business.”17 Alongside IPAA, WEA is a main driver of lawsuits against BLM oil and gas regulation. WEA meets and lobbies the Department of Interior regularly.17,18,19

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9 Hiltzik, M. 2018. Zinke may soon be gone from the Interior Department, but his successor could be much, much worse. Los Angeles Times. November, 16. [link]
10 Bernhardt, D. 2014. Financial Disclosures. [link]
12 Colorado Oil and Gas Association. IRS Form 990 for calendar year 2009. Filed August 20, 2010. [link]
13 Antonacchi, K. 2016. Colorado Supreme Court strikes down Longmont’s voter-approved fracking ban. Times-Call, May 2. [link]

Bernhardt, D. Recusal Letter to DOI Designated Ethics Official Melinda Loftin. May 1, 2017. [link]
17 Brownstein, Hyatt, Farber, Schreck. Energy & Natural Resources. [link]
submitted 15 specific requests for changes to DOI regulations around the endangered Sage Grouse to DOI just before Bernhardt’s nomination as deputy secretary. Of those 15 requests, 13 were adopted after Bernhardt was appointed.20

- Bernhardt has worked with several groups that seek to undermine endangered species protections. Former clients COGA, IPAA, WEA, Safari Club International, and the Center for Environmental Science Accuracy and Reliability (CESAR) consistently sue the federal government and otherwise oppose listing species as endangered, and oppose protections for species already listed.21,22 Bernhardt has both litigated against ESA listings, as well as testified to Congress regarding the ESA on behalf of his clients.

- According to Interior Department visitor logs, Bernhardt met with the American Petroleum Institute (API) in 2017.23 Halliburton, Noble Energy, and WPX Energy are API members that were also BHFS clients and clients of Bernhardt’s.24 Bernhardt specifically promised to recuse himself from matters involving Halliburton and Noble Energy.25

- Beyond the oil industry, Bernhardt’s most glaring conflicts of interest come from water companies that he consulted for. At the request of Cadiz, Inc, which seeks to ship water from the Mojave desert to farms and cities in Southern California, the BLM reversed a decision and took itself out of the decision making process, removing a regulatory barrier for Cadiz. This decision was made two months after Bernhardt was sworn into office at DOI.26

Similarly, the Center for Western Priorities has detailed Bernhardt’s lobbying and legal services for Westlands Water District in California, which paid his firm $1.5 million from 2011-2017.27 Westlands Water District has fought federal protections for endangered species that could be affected by redirecting water to farmlands and other areas outside of the natural watersheds. According to CWP, “On August 17, 2018, just two weeks after Bernhardt’s ethics recusal for Westlands Water District expired, Secretary Zinke sent a memo tasking Bernhardt with creating a plan to speed deliveries of California water and

18 Brownstein, Hyatt, Farber, Schreck. Mark J. Mathews. [link]
23 Ibid, Coleman 2018.
limit environmental reviews under the Endangered Species Act, the same issues on which he had lobbied and litigated on for years.”

Bernhardt’s Participation in the Rollback of DOI Policies

President Trump and DOI Secretary Zinke pursued an aggressive suite of regulatory rollbacks and have not hidden their desire to benefit the oil and gas sector. We detail here a number of these regulatory or policy issues where Bernhardt’s involvement is either known or suspected, and where one or more of his former clients is directly involved or could potentially benefit from his actions. We call for a full investigation into Bernhardt’s participation in these issues, and full transparency in determining whether any of his actions violated the letter or spirit of his ethics pledge.

- **Expanded Onshore Oil & Gas Leasing.** On July 6, 2017, the DOI issued Secretarial Order 3354, requiring the Bureau of Land Management (BLM) to conduct quarterly sales of land for onshore oil and gas leasing. This mandatory schedule has resulted in many lease auctions that underperformed or even raised no money after no companies cast bids, ironically wasting public resources in the name of raising public funds. The exception to this was a September, 2018 BLM lease auction for land that oil companies have long sought in the New Mexico Permian Basin, where former Bernhardt client WPX Energy was among companies buying land made available by BLM.  

  The DOI has also directed BLM to discontinue the use of “Master Leasing Plans,” which have been used to involve the public and communities in leasing decisions and protect National Park land and other sensitive areas. According to documents provided by Bernhardt to the U.S. Senate, he was a lobbyist for at least six companies that have onshore oil & gas extraction operations: Lario Oil & Gas Co., Noble Energy, Samson Resources, Spotted Hawk Development, Strata Production Co., and WPX.

- **Expanded Offshore Oil & Gas Leasing.** On January 4, 2018, the Bureau of Ocean Energy Management released a Draft Proposed Program that opened up virtually every region of the federal Outer Continental Shelf for possible new oil and gas leasing. A number of Bernhardt’s former clients -- notably Eni, Statoil and Noble Energy -- have existing offshore leases and could potentially benefit from these expanded lease sales. In a

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related matter, BSEE approved Eni Petroleum’s permits to drill in the Beaufort Sea months after Bernhardt took office.\textsuperscript{34}

\begin{itemize}
  \item **Hindering scientific review of development projects under the National Environmental Policy Act (NEPA).** David Bernhardt issued DOI Secretarial Order 3355 on August 31, 2017 to “streamline” the scientific environmental impact statement (EIS) process for areas that companies want to develop.\textsuperscript{35} Bernhardt’s order sets arbitrary limits on page numbers and total time allowed for scientific study of environmental impacts of projects.\textsuperscript{36} Bernhardt followed up with a similar memo on August 6, 2018,\textsuperscript{37} instructing DOI employees to follow new White House Council on Environmental Quality (CEQ) guidelines limiting Environmental Assessments (EA) to 10-15 pages, conducted over 3 months or less.\textsuperscript{38} This could hinder accurate scientific assessment of development projects, benefitting petrochemical and minerals exploration and extraction companies that might not be able to access public land if property environmental impact studies are conducted.\textsuperscript{39} As mentioned in the “Expanded Onshore Oil and Gas Leasing” bullet point above, at least six of Bernhardt’s former clients could gain financially from this effort.

  \item **Endangered Species Act.** Bernhardt has played a lead role in weakening parts of the Endangered Species Act that were proposed by FWS and NOAA in 2018.\textsuperscript{40} Bernhardt even published an op-ed in the *Washington Post* advocating for the proposed changes.\textsuperscript{41} The proposed regulation would, among other changes, remove the blanket prohibition on “take” for threatened species, narrow the requirement for other federal agencies to consult on harms to endangered species from their actions, and bar consultation for “global processes” such as climate change.\textsuperscript{42}

If finalized these changes could directly benefit Bernhardt’s former clients who propose to drill in the habitats of threatened species (such as the polar bear or migratory birds) or who propose projects with impacts on the climate or protected species that would ordinarily

\textsuperscript{36} Maffly, B. 2017. Federal agency over Utah’s public lands quietly 'streamlines' its environmental reviews. Salt Lake Tribune. September 6. [link]
\textsuperscript{38} Bravender, R. 2017. Trump CEQ rolls out plans for swift NEPA reviews. E&E Publishing. September 14. [link]
\textsuperscript{39} Environmenta l Assessments (EA’s) determine if a full environmental impact statement (EIS) is required. See U.S. EPA, National Environmental Policy Act Review Process, accessed December 17, 2018. [link]
\textsuperscript{40} Doyle, M. 2017. Order limits most NEPA studies to a year, 150 pages. E&E Publishing. September 6. [link]
\textsuperscript{42} Bernhardt, D. 2018. At Interior, we’re ready to bring the Endangered Species Act up to date. *Washington Post*, August 9. [link]
require Section 7 consultation.

- **Western Sage Grouse.** The Obama administration negotiated an agreement to mitigate harm to the Western Sage Grouse before it became necessary to list it as threatened or endangered, but Secretary Zinke stepped in to overhaul that agreement and put Bernhardt in charge. A coalition of oil industry groups -- including former BHFS clients COGA and IPAA -- wrote a letter thanking Bernhardt for his role in reversing the mitigation framework, the existence of which is current evidence that Bernhardt may have violated his recusal pledge. The removal of the mitigation framework has led to large areas of land being made available for oil and gas leasing.

- **Monuments Review.** Secretary Zinke undertook a broad review of National Monuments with an eye toward reducing the acreage of some monuments in order to benefit extractive industries. Thus far, Zinke ordered the reduction of two monuments -- Bears Ears and Grand Staircase Escalante -- both located in Utah. Internal emails obtained via Freedom of Information Act requests indicate that oil, gas and coal reserves in the monuments were key to the decision-making process. As with expanded onshore leasing, several of Bernhardt’s former clients could potentially benefit from any future oil and gas leasing in regions where protections were removed, including: Lario Oil & Gas Co., Noble Energy, Samson Resources, Spotted Hawk Development, Strata Production Co., WPX Energy, and companies that are members of the IPAA.

- **Methane Leak Rules.** One of Bernhardt’s BHFS clients, the IPAA, sued the U.S. Interior Department in late 2016 to block implementation of rules that would have required oil and gas companies to monitor and reduce methane emissions at extraction sites. Following the DOI / BLM reversal of its own rules on cutting methane leaks, two states filed lawsuits, along with several environmental organizations, to enforce the DOI’s own process of approving the methane rule. If these efforts fail, oil & gas extraction companies will not have to spend money on technology to monitor and reduce methane leaks. In addition to all of the companies IPAA represents, several of David Bernhardt’s former BHFS clients have onshore oil and gas extraction operations that would stand to gain financially from a stalled or blocked methane reduction rule: Lario Oil & Gas Co., Noble Energy, Samson Resources, Strata Production Co., WPX Energy, and companies that are members of the IPAA.

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44 Parks, T, et al. 2018. Joint Letter from oil industry trade associations to DOI. March 27. Republished by Western Values Project. [link]
Spotted Hawk Development, Strata Production Co., and WPX Energy.

- **Taylor Energy and the Bureau of Safety and Environmental Enforcement (BSEE).**
  David Bernhardt represented Taylor Energy, both as an individual consultant,\(^{48}\) and through his position at BHFS, which was paid $50,000 by Taylor from 2016-2017.\(^{49}\) Taylor is responsible for one of the largest ongoing oil spills in U.S. history. Taylor’s MC20 well system began leaking in 2004 and has since released an estimated 150 million gallons of crude oil into the Gulf of Mexico, according to the U.S. Coast Guard. The scale of the Taylor spill is on track to exceed the amount of oil released from the BP Deepwater Horizon site in 2010.\(^{50}\) After establishing a $666 million trust with the federal government intended to clean up the spill, Taylor spent about a third of the money and gave up efforts to stop the spill, and now seeks to recoup the remaining $450 million from taxpayers.\(^{51}\) It remains unclear what action BOEM will take against Taylor Energy and whether Bernhardt has recused himself from any internal discussions on the matter.

**Lack of Transparency Around Bernhardt’s Role**

Both Secretary Zinke and Deputy Secretary Bernhardt have obscured who they have met with while at Interior. Calendar entries for both Zinke and Bernhardt indicate when they have meetings with external parties, but do not disclose who attended those meeting and what topics were discussed.\(^{52}\) Similarly, Freedom of Information Act requests for relevant communications have not uncovered responsive documents. In at least one case, Bernhardt’s calendar provided no information about an external meeting, but visitor logs to the Department showed that he had personally signed in two top representatives of the American Petroleum Institute. The Western Values Project has documented additional examples of behavior that has obstructed transparency at the Department.\(^{53}\)

Given this lack of transparency, it is difficult for the public to know whether Bernhardt has abided by his pledge to recuse from “particular matters involving specific parties.”

Furthermore, all of these cases involve changes to Interior Department policies, practices or regulations that benefit the oil and gas industry. This is done by offering up new and expanded areas of America’s public lands and waters for drilling, by removing requirements for compensatory mitigation, or by weakening regulations that govern drilling. Some of these policy changes are general and therefore may not fall under the narrow language of “particular matter involving

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\(^{49}\) Secretary of the Senate. Lobbying Reports filed by Taylor Energy Company LLC for Q1 2017 [link] and Q1 2016 [link]. Obtained via Center for Responsive Politics. [link].

\(^{50}\) Baurick, T. Coast Guard orders Taylor Energy to stop 14-year oil leak. *Times Picayune*. November 20, 2018. [link]

\(^{51}\) Fears, D. 2018 A 14-year-long oil spill in the Gulf of Mexico verges on becoming one of the worst in U.S. history. *Washington Post*. October 21. [link]

\(^{52}\) Aton, A. 2018. Who’s meeting Zinke? His calendar doesn't say. E&E Publishing. September 7. [link]

specific parties” found in Bernhardt’s recusal, but those specific parties could directly benefit from these decisions.

The fact that so many of Bernhardt’s former clients have benefitted from such a broad spectrum of changes in policy is indicative of a loophole in his ethics recusal that should be examined and closed. We expect that you will thoroughly consider how these potential violations could impact the Interior Department’s commitment to responsibly manage our federal lands and waters.

David Bernhardt should not be appointed as Acting Secretary of the Interior in 2019, nor considered by the U.S Senate for full confirmation until an investigation into possible ethics violations, including past violations of recusals which have expired, is complete and made available to the public. In addition, the public should be given access to a detailed calendar of Bernhardt’s meetings. Finally, Bernhardt should not be appointed as Acting Secretary without a detailed and appropriate explanation for how he will manage his obvious conflicts of interest. However, given his career history and the long list of conflicts of interest that Bernhardt’s work at DOI has already demonstrated, we question whether he is qualified to be a public servant at all.

Sincerely,

Janet Redman
Climate Director
Greenpeace USA

Noah Greenwald, M.S.
Endangered Species Director
Center for Biological Diversity