

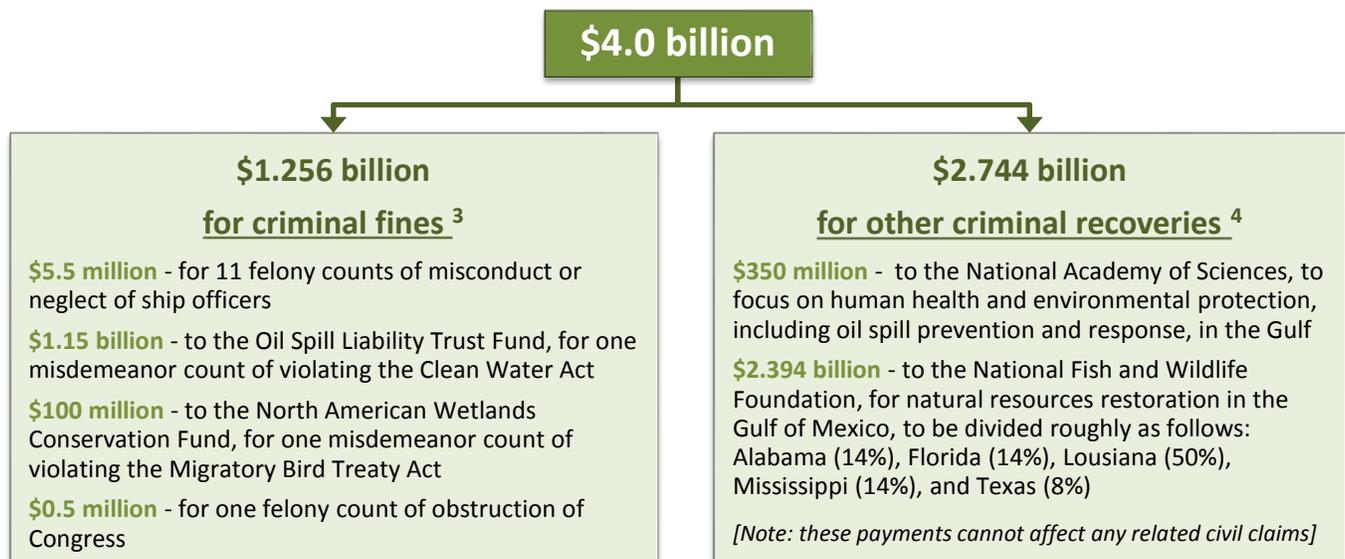
BP Criminal Plea Agreement Fact Sheet

On November 15, 2012, the U.S. Department of Justice (DOJ) announced an agreement with BP to resolve criminal charges against the company related to the *Deepwater Horizon* disaster.¹ This fact sheet sets out the main terms of the agreement. Keep in mind that:

- **This agreement only addresses criminal charges.** Civil claims against BP are still pending.
- **This agreement only relates to BP.** It does not address any other corporations or individuals. For example, there are still pending charges against BP employees.
- **The agreement was accepted by the court on January 29, 2013.** BP now cannot face any other criminal charges for conduct related to or arising out of *Deepwater Horizon*.

Overview of the Agreement

BP agreed to plead guilty to 14 counts of criminal action. In total, BP agreed to pay \$4.0 billion to resolve the criminal charges.² This amount includes:



In addition, BP will be on probation for five years. To meet the terms of its probation, BP must retain process safety and ethics monitors. BP must also develop an implementation plan to:

- Conduct and require BP contractors to conduct Safety and Environmental Management Systems (SEMS) audits;
- Comply with operational oversight provisions (e.g., for cement design);
- Adopt specific oil spill response training and drill measures and programs;
- Revise its Oil Spill Response Plan and develop new safety technologies;
- Create a public website with compliance information;
- Equip rigs with two blind shear rams in case of a blowout;
- Establish a safety organization with the authority to intervene/stop operations; and
- Hire a third-party auditor to oversee compliance with these conditions.

Where Will the Money Go?

The plea agreement specifies that the monies will go to four different entities:

Oil Spill Liability Trust Fund The **Oil Spill Liability Trust Fund (OSLTF)** is an account created by Congress to hold, among other things, certain payments, taxes, and penalties paid by oil and gas companies. Funds are used to cover the costs of future oil spills. The OSLTF consists of: the Emergency Fund, which pays for things like oil spill removal activities, and the Principal Fund, which pays for things like uncompensated oil spill damages (where parties responsible for the spill are unknown or cannot pay) and the administration of the Oil Pollution Act.

North American Wetlands Conservation Fund The **North American Wetlands Conservation Fund** provides funding for wetlands conservation projects. Funding comes from four different sources, including fines, penalties, and forfeitures collected for violations of the Migratory Bird Treaty Act. Funded projects must demonstrate a 1:1 match of non-federal funds. A nine-member council – the North American Wetlands Conservation Council – composed of the U.S. Fish and Wildlife Service (FWS) Director, the Secretary of the Board of the National Fish and Wildlife Foundation, and representatives from state fish and wildlife agencies and non-profit wetlands conservation organizations, submits projects to the Migratory Bird Conservation Commission (MBCC) for approval. The MBCC includes members of Congress, the Secretaries of Interior and Agriculture, and the EPA Administrator.

National Academy of Sciences The **National Academy of Sciences (NAS)** is a private, non-profit institution created by Congress in 1863 “to provide independent advice to the government on matters related to science and technology.” NAS includes the National Research Council (NRC), the National Academy of Engineering, and the Institute of Medicine. NRC carries out most of the science policy and technical work of the institution, and relies on volunteer experts from across the country to complete its work.

National Fish and Wildlife Foundation The **National Fish and Wildlife Foundation (NFWF)** is a non-profit organization created by Congress in 1984 “to protect and restore fish and wildlife and their habitats.” The organization funds a wide variety of conservation projects across the country, leveraging public funds with private investment dollars. NFWF is governed by a Board of Directors, which consists of 30 members who are approved by the Secretary of the Interior. The Board includes the leaders of the FWS and the National Oceanic and Atmospheric Administration (NOAA).

¹ The Guilty Plea Agreement and associated exhibits and information are available online at <http://www.justice.gov/opa/pr/2012/November/12-ag-1369.html> The U.S. Department of Justice simultaneously announced the indictments of three BP employees, including a former BP executive and two supervisors onboard the *Deepwater Horizon* when the explosion occurred on April 20, 2010. The SEC simultaneously announced the settlement of civil securities fraud charges against BP for \$525 million.

² In addition to the criminal fines and recoveries contained in the plea agreement, BP also reaffirmed its existing commitment to fund the Gulf of Mexico Research Initiative in a total amount of \$500 million over 10 years (\$50 million per year, ending in 2020). See Guilty Plea Agreement, Exhibit B Order ¶ 33.

³ Guilty Plea Agreement, Exhibit B Order ¶¶ 34–35 & Exhibit B-1.

⁴ Guilty Plea Agreement, § 4(b)(i)(A)–(D).