

October 26, 2006

BP Amoco, PLC  
Attn: General Counsel's Office  
28100 Torch Parkway  
Warrenville, IL 60555-3938

Dear General Counsel of BP Amoco:

The Project On Government Oversight (POGO) is overhauling and renewing its Federal Contractor Misconduct Database ([www.pogo.org/db/index.cfm](http://www.pogo.org/db/index.cfm)), a compilation of information from public resources regarding government contractors, including BP Amoco. I have enclosed the findings relevant to BP Amoco and am requesting verification or refutation of the data from you by November 10, 2006.

Any response would be greatly appreciated, as the accuracy of this information is in the best interest of all parties. Out of fairness to BP Amoco, please be assured that any response received by POGO will be posted on the website along with the data.

Changes to the database include: the addition of more current instances, removal of Superfund cleanup costs, and removal of information that could not be verified with official documents. Additionally, pending cases will still be included, but this information will be kept separate from the resolved cases and will not be included in any totals.

If you have any questions, please contact Kevin Phelps at (202) 347-1122 or [kevin@pogo.org](mailto:kevin@pogo.org). Thank you for your time and consideration.

Sincerely,

Scott Amey  
General Counsel

Enclosure

## Instances

1.

Workplace Safety Violations

Date: 09/22/2005 (Date of Settlement)

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Administrative

Amount: \$21,300,000

Disposition: Fine

Synopsis: “On March 23, 2005, an explosion and fire occurred in the Isomerization Unit of BP Products’ Texas City refinery as the unit was coming out of planned maintenance. Fifteen contractors died in the incident and many others were injured... The US Occupational Safety and Health Administration (OSHA), the US Chemical Safety and Hazard Investigation Board (CSB), the US Environmental Protection Agency and the Texas Commission on Environmental Quality, among other agencies, have conducted or are conducting investigations. At the conclusion of their investigation, OSHA issued citations alleging more than 300 violations of 13 different OSHA standards, and BP Products agreed not to contest the citations. BP Products settled that matter with OSHA on September 22, 2005, paying a \$21.3 million penalty and undertaking a number of corrective actions designed to make the refinery safer.”

Document(s):

SEC 10-K

2.

Underpayment of Royalties

Date: 04/11/2000 (Date of Settlement Announcement)

Misconduct Type: Government Contract Fraud

Contracting Party: Government Civilian

Court Type: Administrative

Amount: \$32,000,000

Disposition: Settlement

Synopsis: On April 11, 2000, BP Amoco agreed “to pay \$32 million to resolve claims under the False Claims Act 31 U.S.C. § 3729, et seq. and administrative claims that the corporation underpaid royalties due for oil produced on federal and Indian leases since 1988”

Document(s):

DOJ Press Release

3.

Violations of the Clean Air Act

Date: 07/25/2000 (Date of Administrative Agreement)

Misconduct Type: Environment

Contracting Party: N/A

Court Type: Administrative

Amount: \$10,000,000

Disposition: Administrative Agreement

Synopsis: On July 25, 2000, the EPA and Justice Department reached an agreement with BP Amoco. "Under the agreement, BP Amoco, the nation's second-largest refiner, is expected to spend more than \$500 million on up-to-date pollution-control technologies and work practices at nine refineries to reduce emissions from all sources - from stacks, leaking valves, wastewater vents and flares... In addition, BP Amoco agreed to pay a \$10 million penalty."

Document(s):

DOJ Press Release

4.

Illegal Disposal of Hazardous Waste

Date: 09/23/1999 (Date of Guilty Plea)

Misconduct Type: Environment

Contracting Party: N/A

Court Type: Criminal

Amount: \$22,000,000

Disposition: Pleaded Guilty

Synopsis: BP Exploration (Alaska) Inc., a subsidiary of BP Amoco P.L.C. "pleaded guilty to one felony count related to the illegal disposal of hazardous waste on Alaska's North Slope, and it agreed to spend \$22 million to resolve the criminal case and related civil claims...BP Exploration (Alaska) Inc., or "BPXA," admitted in U.S. District Court in Anchorage that it failed to immediately notify authorities of a release of hazardous substances to the environment, and it agreed to pay the maximum criminal fine of \$500,000. As part of the plea agreement, BPXA also admitted that it failed to provide adequate oversight, audits and funding to ensure proper environmental management on Endicott Island, Alaska."

Document(s):

DOJ Press Release

5.

Exposing Employees to Explosion Hazards

Date: 09/13/2001 (Date of Penalty Proposal)

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Administrative

Amount: \$141,000

Disposition: Fine

Synopsis: "Exposing employees to explosion hazards has led to \$141,000 in proposed penalties against BP Amoco Polymers, Inc., by the U.S. Labor Department's Occupational Safety and Health Administration. The alleged willful and serious citations for violation of safety standards resulted from an inspection of a March 13 explosion and fire that killed three workers at the company's Clanton Road plant. OSHA cited BP Amoco for two alleged willful violations with proposed penalties of \$125,000 for exposing employees to the release of hazardous energy... The company received three serious citations with proposed penalties totaling \$16,000 for failing to: properly install pressure relief devices; require proper face protection for employees working with corrosive materials; and properly train employees on lockout/tagout."

Document(s):

OSHA Press Release

6.

Failure to Protect Employees from a Chemical Release

Date: 08/25/2004 (Date of Citation)

Misconduct Type: Labor

Contracting Party: N/A

Court Type: Administrative

Amount: \$63,000

Disposition: Fine

Synopsis: "BP Amoco's Texas City oil and gas refinery has been cited by the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) for its alleged failure to protect employees from a chemical release and fire. Proposed penalties total \$63,000. OSHA issued citations to the refinery for 14 alleged serious violations of safety standards following an investigation that began March 30 when a pipe ruptured on a furnace, releasing flammable vapors that ignited a fire in the Ultraformer No. 4 (UU4) desulfurizer section."

Document(s):

OSHA Press Release

7.

Conspiracy to Manipulate the Propane Market

Date: 06/28/2006 (Date of Guilty Plea)

Misconduct Type: Antitrust

Contracting Party: Non-Governmental

Court Type: Criminal

Amount: \$250,000

Disposition: Pleaded Guilty

Synopsis: "Dennis N. Abbott, a former trader at a U.S. subsidiary of British Petroleum... pleaded guilty to conspiring to manipulate and corner the propane market in the winter of 2004...Under the terms of a plea agreement, Abbott faces up to five years in prison, a fine of \$250,000, and supervised release following any incarceration. Abbott has agreed to cooperate with law enforcement officials in an ongoing investigation...Abbott admitted in his plea agreement and an accompanying factual statement that from Feb. 5, 2004 through July 28, 2004, he and other employees of a British Petroleum subsidiary, BP Products North America (BP), agreed to manipulate the February 2004 propane market for TET propane."

Document(s):

DOJ Press Release

Pending Cases:

1.

Price Manipulation

Date: 06/28/2006 (Date of Filing)

Misconduct Type: Antitrust

Contracting Party: N/A

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: "On June 28, 2006, the U.S. Commodity Futures Trading Commission (CFTC) announced the filing of a civil enforcement action in the United States District Court for the Northern District of Illinois against BP Products North America, Inc. (BP Products), a wholly owned subsidiary of BP, alleging that BP Products manipulated the price of February 2004 TET physical propane. The CFTC also charges BP Products with attempting to manipulate the price of April 2003 TET physical propane. The CFTC is seeking permanent injunctive relief, disgorgement, restitution, and payment of civil monetary penalties. BP denies that BP Products engaged in market manipulation and intends to defend the CFTC claims vigorously."

Document(s):

DOJ Press Release

2.

Violations of Air Quality Regulations

Date: 03/11/2003 (Date of Filing)

Misconduct Type: Environment

Contracting Party: N/A

Court Type: Civil

Amount: \$0

Disposition: Pending

Synopsis: “On March 11, 2003 the South Coast Air Quality Management District filed a complaint against BP West Coast Products LLC and Atlantic Richfield Company in Los Angeles County Superior Court, alleging multiple violations of air quality regulations at the Carson oil refinery in California, USA. Atlantic Richfield Company operated the refinery until its acquisition by the Group in 2000. The complaint seeks penalties for non-compliance in the amount of \$319 million.”

Document(s):

SEC 10-K