

Committee on Resources

Subcommittee on Energy & Mineral Resources

Background Brief

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES COMMITTEE ON RESOURCES U.S. HOUSE OF REPRESENTATIVES

Briefing Paper for Oversight Hearing on July 25, 2000

Oversight Hearing:

"to examine laws, policies, practices, and operations of the Department of the Interior (DOI) and Department of Energy (DOE) related to payments to their employees (including federal public land oil royalty and valuation policy advisors) from outside sources, (including the Project on Government Oversight); and to examine (a) the source of funds for such payments, (b) the relationship between those managing and overseeing the organization that made the payments and the individuals who received the payments, (c) the effect of the payments on programs, policies, and positions of such departments."

On **Tuesday, July 25, 2000 at 10:00 a.m. in Room 1324 LHOB**, the Subcommittee on Energy and Mineral Resources will meet for the fourth and final hearing conducted as part of the oversight review described in Chairman Young's letter to Chairman Cubin dated March 21, 2000. **This is planned to be an open oversight hearing.** As with earlier hearings in this series, motions for extended questioning and for staff questioning are anticipated. For background information on this matter, please refer to the briefing material prepared for the initial hearing on May 4th. If you need additional copies, please call Andrea Nagy, Clerk, at x64913.

Witnesses

Three witnesses are planned but a fourth witness may be added.

The first witness planned is Lon D. Packard, Esq.. Mr. Packard is an attorney from Salt Lake City, Utah. He represents POGO, Ms. Danielle Brian Stockton, and Mr. Leonard W. Brock in their joint participation in a contract to share proceeds from and not disrupt the *Johnson v. Shell* oil royalty *qui tam* litigation. Mr. Packard also represented these parties in their now-dismissed oil royalty *qui tam* suit filed in Lufkin, Texas. Mr. Packard volunteered, in a letter sent in June 1999 to Chairman Young and Representative Miller, that he did not represent POGO in the matter of payments to Mr. Berman and Mr. Speir. The Committee also possesses a letter in which Mr. Packard advised Mr. Berman that they, too, had no attorney-client relationship in this matter.

Mr. Packard will be asked to help the Subcommittee understand the knowledge and attitudes of Mr. Berman, Ms. Brian, and other POGO officers and Directors regarding the payments in question. Mr. Packard is also expected to help the Subcommittee understand the facts and circumstances of his notification to the Justice Department of POGO's intention to pay Mr. Berman and Mr. Speir. Mr. Packard is expected to assert an attorney-client privilege to refuse answers to questions about conversations with Ms. Brian, Mr. Brock, or POGO with regard to the conduct of their oil royalty litigation.

Mr. Packard is not invited to make an oral opening statement, will be placed under oath, and is expected to be accompanied by counsel.

The United States Marshal for the District of Utah reports that Mr. Packard was served successfully with a subpoena for this appearance.

The second panel will consist of ethics officials from the Department of the Interior and the Department of Energy. At this time, Interior has orally promised to send Linda (TJ) Sullivan. Mrs. Sullivan is the Deputy Chief of the Ethics Office at DOI. Energy has been asked to provide Susan Beard, Deputy Associate General Counsel for General Law. This panel is expected to help the Subcommittee understand the financial disclosure and ethics provisions applicable to agreements and payments such as those under review.

As with the expert witness who testified on May 18, this panel of experts will not be placed under oath and are invited to make oral opening statements.

A possible third panel may include a GAO attorney/investigator who was loaned to another congressional committee to examine this subject.

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