



Office of the Attorney General
Washington, D. C. 20530

May 6, 2011

MEMORANDUM

TO: COMMODITY FUTURES TRADING COMMISSION
STATE ATTORNEYS GENERAL
FEDERAL TRADE COMMISSION
DEPARTMENT OF ENERGY
DEPARTMENT OF AGRICULTURE
DEPARTMENT OF THE TREASURY
SECURITIES AND EXCHANGE COMMISSION
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FEDERAL BUREAU OF INVESTIGATION

FROM: ERIC H. HOLDER, JR. 
ATTORNEY GENERAL

SUBJECT: Oil and Gas Price Fraud Working Group

As Chair of the Financial Fraud Enforcement Task Force, I want to thank all of you for your leadership and participation in the Task Force's Oil and Gas Price Fraud Working Group. As part of this important effort, the Department of Justice has joined with federal partners from the Commodity Futures Trading Commission, the Federal Trade Commission, the Departments of Agriculture, Energy, and Treasury, the Securities and Exchange Commission, and the Federal Reserve Board, along with important leadership from state Attorneys General.

I appreciate the commitment and expertise that you – and the agencies and offices you represent – bring to the work of protecting American consumers and ensuring the strength and integrity of our markets. This Working Group will enable us to formalize our collaborative efforts, share current oversight activities, avoid duplication, and combine our resources and expertise. I thank you for your participation in our first meeting of this Working Group earlier this week and I look forward to our continuing collaboration.

As you are all aware, toward the end of this week oil prices dropped significantly. Of course, there are lawful market forces that lead to price fluctuations and to differences between wholesale and retail price trends in these markets. This working group was created to identify whether fraud or manipulation played any role in the wholesale and retail markets as prices increased. If wholesale prices continue to decrease, fraud or manipulation must not be allowed to prevent price decreases from being passed on to consumers at the pump.

Therefore, I am directing the Working Group to focus on this area and be prepared to report on any developments, as well as any proposed action steps, at our next meeting. Your longstanding expertise and oversight enables us to evaluate forthcoming market developments, so that if there are instances of suspected illegal activity, they can be pursued quickly. And the Working Group will foster increased cooperation between investigators and regulators, so that – if necessary – we can vigorously enforce state and federal laws against collusion, manipulation, and other forms of wrongdoing.

Once again, I want to thank you for your participation – and your critical partnership. I look forward to working with each of you.