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April 10, 2012

William H. Stallings
Chief, Transportation, Energy, Agriculture Sect. Antitrust Division
United States Department of Justice
450 Fifth Street NW
Washington, DC 20530

Mr. Stallings,

I write to you regarding the recent settlement with Gunnison Energy Corporation and SG Interests I Ltd. and SG Interests VII for violating anti-trust laws and False Claims Act violations during a Bureau of Land Management oil and gas lease auction. The companies were fined a *total* of \$550,000 and got to keep the BLM land parcels they bid on.

Respectfully, sir, this punishment does not go far enough to enforce the law and discourage this type of backroom dealing in the future. Furthermore, the “punishment” that was meted out in this case shows a double standard, as another recent violation of the False Claims Act during an illegal and later canceled BLM lease auction by an environmentalist resulted in a significant fine and jail time.

To the first point: The Sherman Anti-trust Act allows for fines of up to one hundred million dollars and up to ten years jail time for corporate officers. \$550,000 split between two energy giants is pocket change. What has effectively happened is that they just added \$275,000 to the lease they already purchased together at a bargain price because of their collusion. This is punishment for defrauding the federal government and stealing land from US taxpayers?

Secondly, I'd like to address what looks to me like a double standard: in 2008 Tim DeChristopher, an environmentalist, participated in a BLM oil and gas lease auction in an act of civil disobedience with the intent to disrupt an illegal auction (in fact, all sales of that day were later canceled by incoming Secretary of the Interior, Ken Salazar). As a result of his actions, DeChristopher was indicted by the federal government with two felony counts, was fined \$10,000 and sent to prison for two years – all for following his principles, trying to disrupt an illegal auction and stop the destruction of oil or gas drilling adjacent to a national park. Meanwhile, for the same crime, and additional violations, committed by the two oil companies, the government sued them for lying to the government under the federal False Claims Act, which is a civil violation, i.e., not punishable for jail time – and their actions were motivated by nothing but greed.

Isn't the Department of Justice supposed to act on behalf of the people? How is any of this in the public interest?

Sincerely,

Galicia Outes
Ridgewood, NY