

Beat: Sports

Halliburton pleads guilty to destroying evidence after Gulf spill

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USPA News - Oilfield services giant Halliburton will plead guilty to destroying evidence in connection with the 2010 Deepwater Horizon disaster and is willing to pay a \$200,000 fine, the U.S. Justice Department announced on late Thursday. The ecological disaster was the worst U.S. oil spill in history.

A criminal information charging Halliburton with one count of destruction of evidence was filed in the U.S. District Court in the Eastern District of Louisiana earlier on Thursday. The company signed a cooperation and guilty plea agreement with the government in which Halliburton agrees to plead guilty and admit its criminal conduct, although it is still subject to court approval. "As part of the plea agreement, Halliburton has further agreed, subject to the court's approval, to pay the maximum-available statutory fine, to be subject to three years of probation and to continue its cooperation in the government's ongoing criminal investigation," the justice department said in a statement. The maximum fine is \$200,000. Prosecutors also noted that Halliburton has made a voluntary contribution of \$55 million to the National Fish and Wildlife Foundation, something that was not a condition for the plea agreement. The company said in its own statement that its voluntary contribution demonstrates its commitment to making a positive environmental impact in the world. The disaster began on April 20, 2010, when BP's Deepwater Horizon oil platform experienced an uncontrolled blowout and exploded, killing eleven men and ultimately releasing an estimated 4.9 million barrels of oil into the Gulf of Mexico. BP was finally able to seal the well with cement 18,000 feet (5,486 meters) below the sea in September 2010. According to court documents, Halliburton conducted its own review of various technical aspects of the Macondo well's design and construction and established an internal working group in May 2010 to examine the well blowout, including whether the number of centralizers used on the final production casing could have contributed to the blowout. A production casing is a long, heavy metal pipe set across the area of the oil and natural gas reservoir, while centralizers are protruding metal collars affixed at various intervals on the outside of the casing and can help keep the casing centered in the wellbore away from the surrounding walls as it is lowered and placed in the well. Centralization can be significant to the quality of subsequent cementing around the bottom of the casing. Prior to the blowout, Halliburton advised BP to use 21 centralizers in the Macondo well, but the oil giant opted to use six centralizers instead. Halliburton therefore directed employees to run two computer simulations of the Macondo well's final cementing job, using a 3D simulation program to compare the impact of using six versus 21 centralizers. The results from Halliburton's Displace 3D simulation program, which was being developed to model fluid interfaces and their movement through the wellbore and annulus of a well, indicated that there was little difference between using six and 21 centralizers. The company then directed the Senior Program Manager for the Cement Product Line to destroy these results. More than a year later, the oilfield services giant destroyed similar evidence in a second incident. Halliburton's Cementing Technology Director had asked another, more experienced, employee to run simulations again but the employee reached the same conclusion. The employee was then also directed to "get rid of" the simulations. The U.S. Justice Department said their efforts to forensically recover the original destroyed Displace 3D computer simulations during ensuing civil litigation and federal criminal investigation by the Deepwater Horizon Task Force were unsuccessful. But in agreeing to plead guilty, the company has accepted criminal responsibility for destroying the evidence. "The Department of Justice has agreed that it will not pursue further criminal prosecution of the company or its subsidiaries for any conduct relating to or arising out of the Macondo well incident," Halliburton said in a statement. "The Department of Justice acknowledged the company's significant and valuable cooperation during the course of its investigation, and the company has agreed to continue to cooperate with the Department of Justice in any ongoing investigation related to or arising from the incident."

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