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June 1, 2010

U.S. Opens Criminal Inquiry Into Oil Spill

By **HELENE COOPER** and **PETER BAKER**

WASHINGTON — The Obama administration said Tuesday that it had begun civil and criminal investigations into the massive **oil spill** in the Gulf of Mexico, as the deepening crisis threatened to define **President Obama's** second year in office.

Attorney General **Eric H. Holder Jr.** said in New Orleans that he planned to “prosecute to the fullest extent of the law” any person or entity that the Justice Department determines has broken the law in connection with the oil spill. On Wall Street, the Dow Jones industrial average fell 120 points shortly after Mr. Holder’s announcement as energy stocks tumbled on expectations of the federal investigations. **BP** lost 15 percent of its market value during the day’s trading.

BP and government officials said flatly for the first time that they had abandoned any further plans to try to plug the well, and would instead try to siphon the leaking **oil** and gas to the surface until relief wells can stop the flow, most likely not before August.

Mr. Holder’s comments, which echoed those of Mr. Obama earlier in the day in the Rose Garden, reflected deepening frustration within the administration at the inability to stop the spill, along with wide concern that the government and the president appear increasingly impotent as oil laps at the shorelines of Louisiana, and now Alabama and Mississippi.

One person briefed on the inquiry said it was in an early stage and that no subpoenas had been issued yet to BP, the owner of the well. It was unclear whether any had gone to **Transocean**, which leased the Deepwater Horizon, the nine-year-old drilling rig that exploded and sank in April, to BP; **Cameron**, the company that manufactured a “blowout preventer” that failed to function after the explosion; or **Halliburton**, which performed drilling services like cementing.

Administration officials said they were reviewing violations of the Clean Water Act, which

carries criminal and civil penalties and fines; the Oil Pollution Act of 1990, which can be used to hold parties responsible for cleanup costs; the Migratory Bird Treaty Act and the Endangered Species Act, which provide penalties for injury and death of wildlife.

“BP will cooperate with any inquiry that the Department of Justice undertakes, just as we are doing in response to the other inquiries that already are ongoing,” the company said in a statement.

Having abandoned the attempt to plug the gushing well, BP and the government moved ahead on the latest plan, to contain the oil and gas as it flows from the floor of the gulf and siphon it to the surface. BP prepared to sever the pipe that once connected the well to the surface and is now snaking along the sea floor from the wellhead. That pipe, called a riser, had been attached to a blowout preventer, a stack of valves sitting on top of the well.

Removing the pipe could increase the flow of oil into the gulf until response crews can complete the next phase of the operation, affixing a cap to the remaining stub of the riser at the blowout preventer and siphoning the leaking oil into the cap through a new riser and up to a ship on the surface.

The more confrontational tone from Washington underscored concerns within the administration about the long-term effect of the oil spill, not only environmentally, economically and politically, but on the national psyche as well.

Like no other, the topic of the oil spill now dominates the national conversation. Early comparisons to [Hurricane Katrina](#) have dissolved into comparisons to the hostage crisis with Iran — an episode that spanned 444 days and beleaguered the presidency of [Jimmy Carter](#). The spill has kept Mr. Obama from focusing attention on other issues, like creating jobs and carrying out the new health care law, at a time when polls suggest that public trust in government is declining and when his party is fighting to retain control of Congress.

“It’s an interesting disaster because it’s one that doesn’t stop — it’s as if Katrina sat on top of New Orleans for six weeks without going away,” said George Haddow, a disaster management consultant from New Orleans who was a senior [Federal Emergency Management Agency](#) official under President [Bill Clinton](#).

Tuesday amounted to the administration’s most intensive effort yet to show that it is doing everything possible to respond and to hold BP and the other companies accountable. [Robert Gibbs](#), the White House press secretary, said Mr. Obama has been “enraged at the time that it’s taken” to stop the leak.

“I’ve seen rage from him,” Mr. Gibbs said, describing the president’s “clenched jaw” at meetings. Mr. Gibbs added that the White House did not think BP “was forthcoming on what the impact would be of cutting the riser off.”

For Mr. Obama, part of the problem has been that the solution to the BP disaster is at its heart an engineering problem, and one the government has already acknowledged it is in no position to fix on its own. Former Attorney General William P. Barr said the administration’s move to investigate risked looking like political damage control while chilling cooperation with the company at the time it is needed most.

“The Department of Justice has to be very careful about using criminal prosecution to respond to political pressure,” Mr. Barr, who ran the department from 1991 to 1993, said in an interview. But Mr. Obama said Tuesday that “we have an obligation to determine what went wrong.” He appeared after meeting with the two men he has appointed to lead an inquiry into the spill — former Senator Bob Graham of Florida, a Democrat, and a former [Environmental Protection Agency](#) administrator, William Reilly, a Republican.

During the meeting in the Oval Office, the president was adamant that the government and the industry had to find a way to make [offshore drilling](#) safe because the nation needs the oil, and stressed to Mr. Reilly and Mr. Graham that that was part of their charge, according to people familiar with the meeting.

The decision to try to siphon off the leaking oil came after the failed “top kill” procedure, in which heavy drilling mud was pumped at up to 80 barrels a minute into the well in hopes of overcoming the pressure of surging oil and gas. But, response teams were never able to drive the mud far enough down in the well to overcome the oil, said Doug Suttles, BP’s chief operating officer for exploration and production, in an interview during a helicopter ride over coastal areas.

Officials suspect that the mud could have been escaping from the well far below the ocean floor, possibly through a rupture disk, a built-in weak point in the steel pipe that lines the well.

This concern is what led officials to decide to end attempts to plug the well, Mr. Suttles said. If the well were capped — such as by a new blowout preventer — the resulting pressure could force oil out through a flaw in the well, and another leak could sprout on the ocean floor.

Mr. Suttles said he expected the cap being readied this week would be able to siphon off the “vast majority” of the oil, though not all of it, and that subsea dispersants would be still be needed.

The challenges facing the maneuver are similar to the problems that bedeviled the 98-ton containment dome which was lowered over one of the leaks several weeks ago. That dome failed when hydrates — icelike crystals of gas and water — formed at the dome's opening and prevented oil from escaping. The cap-and-riser system is designed to fit fairly snugly to reduce the influx of water, and methanol and heated water will be used to further reduce the chances that hydrates form.

John M. Broder and Charlie Savage contributed reporting from Washington, Robbie Brown from New Orleans and Campbell Robertson from Port Fourchon, La.