

## AFD Ep 326 Links and Notes - Teapot Dome [Bill/Rachel, Sept 27]

- Overview: [https://en.wikipedia.org/wiki/Teapot\\_Dome\\_scandal](https://en.wikipedia.org/wiki/Teapot_Dome_scandal)
  - In 1922, the Navy Department transferred oil reserves to the Interior Department. Interior Secretary Albert B. Fall gave no-bid undervalued leases for exploitation to a Sinclair Oil Corporation subsidiary (Teapot Dome in Wyoming) and to Pan American Petroleum and Transport Company (Elk Hills Oil Field in California) in exchange for secret bribes totaling a modern day equivalent of more than \$7 million in the form of gifts and loans from the lessees. Secretary Fall repeatedly took action to cover up the bribes or kickbacks on paper, as well as to legitimate the leases otherwise, but he also almost immediately began paying off debts and back taxes while making other obvious uses of the money that would keep raising suspicions as investigations went on.
  - Almost immediately, rival oilmen began complaining to the US Senate alleging unfair special treatment in the oil leases, possibly involving illegal activity, and the US Senate (and journalists in the west) began investigations that would last into 1924, beyond the death of President Warren G. Harding. Key figures included Republican Senator Robert La Follette and Democratic Senator Thomas J. Walsh.
  - Albert Fall was convicted in 1929 of accepting bribes for the leases. No one was convicted of making bribes, although one of the Sinclairs was convicted on related charges. The US Supreme Court canceled the leases in 1927 on the basis of corruption in obtaining them and the Navy Department re-assumed control of the oil reserves. The US Supreme Court also confirmed the right of the US Senate to have subpoena powers and apply consequences for failure to appear before investigations (McGrain v. Daugherty).
  - Production at Teapot Dome was halted until 1976. The oilfield was sold from the federal government to the private sector in 2015 during the Obama Administration.
- <https://www.latimes.com/politics/la-na-pol-trump-zinke-departs-20181215-story.html>  
But an inspector general's investigation into whether Zinke personally benefited from a Montana development deal linked to energy giant Halliburton has been referred to the Department of Justice and could result in criminal charges. He has denied any wrongdoing.

The case focuses on whether Zinke improperly spent taxpayer dollars to meet with Halliburton's chairman, David Lesar, to discuss a land deal in Zinke's hometown of Whitefish, Mont. The deal involved a charitable foundation that Zinke had established and is run by his wife, Lolita.

Zinke apparently tried to replace the inspector general, Mary Kendall, with a Trump appointee in October while she was investigating his alleged misconduct. He backed off when the maneuver came to light, calling it a "miscommunication" among staff.

Kendall, in her annual report for 2017, had listed "ethical considerations" within the agency as a major priority.

Another report from Kendall [detailed](#) apparent ethical violations by Zinke. It cited his bringing Secret Service protection along on a 2017 summer vacation with his wife and friends to Greece, costing taxpayers more than \$25,000.

Zinke's frequent travel with his wife on government business — he reportedly tried to classify her as a "volunteer" to circumvent reimbursement requirements for personal guests — also came under scrutiny.

The inspector general's office is also investigating whether Zinke's decision last year to allow oil and gas exploration on previously protected federal lands, accomplished by cutting the boundaries of the Grand Staircase-Escalante National Monument in Utah, improperly benefited a Republican state lawmaker whose land was removed from the monument.

- <https://www.washingtonpost.com/climate-environment/2020/09/26/william-pendley-blm-montana-judge/>

The BLM manages 27 million acres in Montana, nearly one-third of the state. In his lawsuit, Bullock sought to protect two vast swaths of land in the southwest part of the state — the Lewistown and Missoula areas. Pendley had signed resource management plans for both of them; the one for Lewistown would have opened up 95 percent of the 650,000-acre area to leases for oil and natural gas drilling. Judge Morris said that by analyzing comments and protests about resource management plans Pendley "actually exercised powers reserved to the BLM director."

Pendley has been a lightning rod ever since his appointment to the BLM. In 1982, while Pendley was head of the Minerals Management Service, he and another Interior official, along with their wives, attended a dinner with two coal company attorneys on the same day Pendley and his colleague had made a favorable decision regarding bids on Powder River Basin coal leases, as outlined in a General Accounting Office report. The coal company officials picked up the entire \$494.45 dinner tab, or \$1,343 in today's dollars.

Pendley, who had moved from Interior to the Department of the Navy, resigned the year after the GAO's findings became public.

He later became president of the Mountain States Legal Foundation, founded in 1977 and initially run by Reagan's controversial first Interior secretary, James G. Watt. The foundation received backing from ultraconservative groups and individuals such as [the Koch-linked Donors Trust](#) and beer tycoon [Joseph Coors](#).

Pendley was later counsel of record representing aging businessman Sidney Longwell and his small company, Solenex. Solenex leased 6,247 acres in northwestern Montana in 1982 during the Reagan administration for about \$1 an acre. Longwell wanted permission to build a six-mile service road and bridge over the Two Medicine River on lands considered sacred by the Blackfeet tribe. The dispute lasted decades.

Pendley also wrote opinion pieces. "The Founding Fathers intended all lands owned by the federal government to be sold," he wrote in [a National Review magazine article](#) in 2016.