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Documents, Employees Reveal BP's Alaska Oilfield Plagued By Major Safety Issues

By Jason Leopold
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In-depth Report: THE BP OIL SLICK

Nearly 5,000 miles from the oil-spill catastrophe in the Gulf of Mexico, BP and its culture of cost-cutting are contributing to another environmental mess.

According to internal BP documents obtained by Truthout, and after interviewing more than a dozen employees over the past month, the Prudhoe Bay oil field, in a remote corner of North America on Alaska's north shore, is in danger.

After two serious oil spills and other mishaps, the BP employees fingered a long list of safety issues that have not been adequately addressed, making the Prudhoe Bay oilfield vulnerable to a devastating accident that potentially could rival the havoc in the Gulf.

"The condition of the [Prudhoe Bay] field is a lot worse and in my opinion a lot more dangerous," said Marc Kovac, who has worked for BP on Alaska's North Slope for more than three decades. "We still have hundreds of miles of rotting pipe ready to break that needs to be replaced. We are totally unprepared for a large spill."

Kovac, a mechanic and welder who is the steward of the United Steelworkers union local 4959, said a lot of employees share his feelings, but "don't want to risk their jobs for speaking out." Kovac said he was willing to take the risk because BP has been slow to deal with the Prudhoe Bay problems and that "many lives are at stake."

Some of the employees, speaking anonymously, said BP follows an "operate to failure" attitude.

Kovac said that means BP Alaska avoids spending money on "upkeep" and instead runs the equipment until it breaks down.

Typical of these problems, the employees said, was an oil spill that was discovered on Nov. 29, 2009, when a BP Alaska employee performing a routine check discovered oil pouring out from a two-foot long gash on the bottom of a 25-year-old pipeline at BP's Lisburne facility.

"The spill was from an 18-inch three-phase common line carrying a mixture of crude oil, produced water, and natural gas," according to an incident report from the Alaska Department of Environment and Conservation's (ADEC) Division of Spill and Response.

BP Alaska's "preliminary estimate for the total volume of oily material released is 45,828 gallons (1,091 barrels)," the report said.

The circumstances behind the spill are now the subject of a criminal and civil investigation

by the FBI, the Environmental Protection Agency and Alaska state authorities. BP blamed the rupture on ice plugs that built up inside the pipeline, which caused increased pressure and finally the rupture.

In a January 27 letter to Sen. Lisa Murkowski (R-Alaska), which has not been previously released, BP Alaska President John Minge said the "overpressure rupture" was the result of looping the 18-inch pipeline with a 24-inch one as a way of minimizing "backpressure in the individual pipelines. …

"The two critical factors that led to the overpressure rupture of the pipeline were this looped configuration in combination with inadequate temperature monitoring locations" that were "physically located on the pipelines" inside the production facility "and not outside," according to a copy of the letter Minge sent to Murkowski in response to her queriesabout the spill.

The pipeline rupture at Lisburne is another example of BP Alaska failing to learn from its past mistakes. On February 19, 2001, a pipeline ruptured under similar circumstances. In that case, temperature monitors alos were placed on the pipeline inside the building, but BP told the State of Alaska and the ADEC that it would rectify the issue in the future by moving the monitors on all of its pipes outside of the facility so it could accurately check the temperature. The company, it would appear, apparently never fulfilled its promise.

A person who works closely with BP and reviewed Minge's letter to Murkowski said Minge's letter "presents the specific facts of the event," but does not contain the necessary context.

"When he indicates that the temperature sensors were located inside the buildings – obviously this shows a lack of attention to monitoring the pipelines," said this person, who requested anonymity. "It is not just a mistake in placement of the monitors. The letter shows that they knew the line had a low flow rate and would go to the path of least resistance.

"Therefore, knowing that this field is located well above the Arctic Circle – you don't need a temperature sensor to know that by early November there will be sub-zero temperatures in place, he continued. "So, a basic risk assessment should have identified this possibility well before you needed a temperature sensor to tell you what the temperature in the line would be."

A top BP Prudhoe Bay official, who has grown "disillusioned" with the company's management style over the past year, agreed.

"Someone was clearly not paying attention to the flow," said the official, who also requested anonymity because he feared retaliation for discussing internal matters. "The temperature dropped and the line froze. This shouldn't have happened. I equate this with a lack of operating discipline and place the blame squarely on leadership."

Kovac said what Minge did not disclose to Murkowski is that BP failed to take precautionary measures to "freeze protect" the pipeline when it was last inspected in 2008. He said cold temperatures causes pipelines to expand, making them more fragile.

"BP's decision to not adhere to standard industry practice and freeze protect the 18 inch line from [Lisburne] resulted in the line freezing, expanding and breaking, spilling product onto the tundra," said Kovac, who does not work at Lisburne, but speaks to employees who

do. “It was stretched too many times and broke. There are hundreds of pipelines flowing in this condition. BP chose to save money. They thought [the pipeline] was open to a parallel flowing line and guessing and hoping that line would stay thawed out.”

Rinehart said freeze-protection “would typically be done if a line was to be taken out of service for a period.”

“In this case, the line was in operation, but had a flow obstruction,” he said. “We were working to assess the blockage and determine how to restore the line to operation when the leak happened. Ice had formed inside the line. This may have occurred because low-flow or slow-flow allowed water to accumulate in certain sections of the pipe.

> “The line transported a mixture of oil, water and natural gas from well sites to the Lisburne Processing Center. Typically, the liquid in this mixture was about 25 percent oil and 75 percent water.”

“This was an unused line,” Kovac said. BP “tried to avoid the cost of freeze protecting it. They were hoping operators would be able to respond if something happened.”

A person familiar with BP’s Alaska operations said Rinehart’s statement is incorrect and is only half the story.

“The Lisburne line was empty (no oil),” this person said. “All oil has water in it until its processed. The water in the unused line froze (water was the obstruction). The water kept accumulating and expanded (ice) which caused the rupture as I understand it.”

Two weeks after the spill, a “red flag” e-mail sent by BP’s Prudhoe Bay Operations Manager to officials and employees on the oilfield advised employees of the “importance of adhering to established processes that ensure freeze prevention in flow lines, as well as, appropriate responses when freezing occurs.”

Smoking Gun?

But there may have been other factors at play that led to the pipeline rupture at Lisburne, some of which appear to suggest poor management and cutbacks on safety.

Underscoring that point is an email sent to BP officials in Alaska last January from an employee who works at the Lisburne Production Center. The author of the email, whose name was redacted, said Lisburne is “operating in [an] unsafe condition.”

The employee listed more than a dozen pieces of crucial production equipment that he claims were not working or were out of service at Lisburne during the time of the spill, thereby “leaving no back-up to running equipment and equipment out of service which should be on-line as per the system requirements to run the plant.”

“With minimum manning in maintenance and operations we are basically running a broken plant with too few people to address the problems in a timely and safe manner,” the employee said. “Operations can not rely on Management to provide them with a safe and

reliable plant to work in. The management of our maintenance at [Lisburne Production Center] simply is not working to maintain a safe operation. This gap in maintenance management causes problems that increase the overall risk of plant integrity and personnel safety."

Jeanne Pascal, the former debarment counsel at the EPA's Seattle office who worked on BP cases for a decade, said in addition to the louvers at Lisburne, the turbines at the facility have not been working properly for about 10 years.

"The EPA air inspector in 2003 also told me the turbines were a problem," Pascal said in an interview. "BP Alaska has known they were a problem for at least 10 years. BP does not operated safely or they would not have the worst health, safety and environmental record of any other company in the US."

One of the most critical safety issues the employee raised in the Libsurne employee's email that undercuts BP's commitment to "integrity management" has to do with "louvers" that he said fail to seal, an issue that has allegedly persisted for years. Louvers are connected to the production facility's fire and gas suppression systems and are supposed to remain closed to trap a halon discharge in the event of fire or a gas buildup. Halon is a chemical that prevents explosions by depleting oxygen in the air.

An employee who works at the facility said, "Simply put, if those louvers don't seal and there is a fire or gas is released, people could die."

In fact, according to a top BP official who works on the North Slope, six Prudhoe Bay employees were told by BP's fire and gas technical authorities that it is likely that, if BP were to test all of the louvers at North Slope facilities, they would fail to seal and the fire and gas suppression systems would be ineffective, which means workers are presently in imminent danger in the event of a gas buildup, explosion or fire.

Moreover, internal BP documents indicated that as of April 11, a week before the explosion on Deepwater Horizon, the louvers were not operating, and will not be dealt with until December 31. It's unclear if the Gulf disaster and the financial resources being poured into the cleanup will further delay the repairs.

The Alaska State Fire Marshal, who would be responsible for inspecting the louvers and other fire and gas-related equipment to ensure it works properly, did not return a call for comment.

Steve Rinehart, a spokesman for BP Alaska, said the issues the employee addressed in the email were immediately dealt with.

"We will not operate facilities unsafely," Rinehart said. "We take this kind of info from employees very seriously. In this case, line leadership started meeting with the employees who raised these issues at Lisburne as soon as they received the list. We have made very good progress. Half the items have been closed out, some of the rest are virtually complete and all are being worked and tracked."

Rinehart did not comment on the current state of the louvers. And employees who work at Lisburne said they do not believe the safety issues addressed in the email have been adequately dealt with.

Two BP management officials, who requested anonymity because they were not authorized to discuss internal matters, said budget cuts were largely the reason equipment was not upgraded or repaired, and indicated that much of it has yet to be addressed. BP's Alaska budget for 2010 is $1 billion, compared with $1.1 billion in 2009 and $1.3 billion in 2008.

Moreover, according to two BP Alaska officials, projects related to "safety and integrity" have been cut by 30 percent this year and BP's senior managers receive bonuses for not using funds from BP's designated maintenance budget, a company wide policy implemented by Hayward. Documents show that Hayward also implemented a cost-cutting directive following the oil spills in 2006 in Prudhoe Bay.

However, a document BP sent to the House Energy and Commerce Committee before the Gulf disaster said budget cuts have not impacted projects that need to be funded at Prudhoe Bay. The company said the fear by employees that budget cuts would impact "integrity investment" was likely due to "dramatic changes in oil prices and economic uncertainty in late 2008 and continuing into 2009."

"This perception was likely heightened by [BP Alaska's] challenge to its contractors in early 2009 to deliver cost efficiencies," the budget document sent to the House Energy Committee said. "Our commitment to safety as the top priority, continuous risk reduction and bottoms-up planning. Our commitment is to activities that reduce risk – we target efficiency improvements to complete these activities at lower cost."

The document indicates BP deferred or "re-paced" some projects, but the company said it "risk-assessed each of the activities and identified mitigative measures to reduce any risk to safe operations." Deferral of maintenance projects was determined to be the same issue that contributed to the oil spills in 2006, according to a congressional investigation.

Rinehart said BP is "committed to integrity management and safe, reliable operations. Those projects are priority. The BPXA capital spending plans for 2010 are down about from roughly $1 billion in 2009 to about $850 mil in 2010."

One senior BP official asked, in response to Rinehart's statement: "At what point is credibility stretched too far not to realize you cannot reduce the budget as has been done and not have an impact?"

The employee's email, Truthout has learned, is now in the hands of criminal investigators and BP's probation officer, Mary Frances Barnes, who are scrutinizing the employee's claims to determine if it had any bearing on the pipeline rupture last November and whether it would amount to a probation violation for the company. BP pleaded guilty and paid a $20 million fine in October 2007 to a criminal misdemeanor violation of the Clean Water Act, resulting from two oil spills on the North Slope in 2006, which was blamed on severely corroded pipelines that the company failed to upkeep. BP was placed on probation for three years.

Tyler Amon is the special agent-in-charge at the EPA's Criminal Investigation Division probing the circumstances behind last November's oil spill. He did not return calls for comment, nor did Barnes or a spokesperson for the FBI. The email has also been sent to Congressman Henry Waxman, the chairman of the House Energy and Commerce Committee. Waxman's office did not return several calls for comment.

As of June 5, Lisburne was shut down for planned maintenance. It's unknown if BP intends to address any of the maintenance and operational issues described in the email.

"Hopping"

Kovac and other employees who confirmed his claims also raised red flags about a newly constructed pipeline currently in use, which feeds directly into pump station 1, the beginning of the Trans Alaska Pipeline, that he said was poorly designed. This was a portion of the pipeline that was severely corroded and ruptured in 2006, spilling more than 200,000 gallons of oil across the frozen tundra, which resulted in the largest oil spill on the North Slope.

Eight employees said the two-mile long rebuilt pipeline has experienced "severe hopping up and down on the vertical support members," due to wind induced vibration, a phenomenon that was discovered when the oilfield was developed more than 30 years ago. But it does not appear that BP learned the lessons of the past when it designed the new pipeline. That "hopping," Kovac said, has caused stress on the "pipewall" and weld joints on sections connected to the vertical support members.

"The harmonics in [the pipeline] allowed it to bounce up and down," Kovac said. "BP rectified the problem by placing timbers under the line between the vertical support members [which is not unusual] about two months ago. As far as I know, there isn't a plan in place to fix the problem."

Rinehart, the BP Alaska spokesman, acknowledged that "a section of the new transit line has experienced wind-induced vibration." But he said the company is addressing the matter

"The vibration was not such that it would be expected to damage the line, and was a factor considered in the design," Rinehart said. "Just the same, we have decided to fit wind-susceptible sections of the line with wind dampeners, scheduled to be done before the end of this year. In the meantime, as a precaution, we put timber 'cribbing' underneath wind-susceptible locations, to limit movement. We also checked all the welds in those locations; no damage was found. This has all been communicated to the US Department of Transportation Pipeline and Hazardous Materials Safety Administration, our lead federal pipeline regulator."

But Kovac and other employees added that there are other pipelines that are corroded that should have been replaced three years ago, but which haven't been, and a spill detection system still hasn't been installed. He said the matter is urgent in light of a high-pressure artificial lift natural gas pipeline that ruptured and separated in September 2008, whipped around like a snake, and released natural gas into the atmosphere, all due to external corrosion that BP failed to address for nearly a decade. Had their been an ignition source, employees who were working nearby would have been killed. When the line separated, the force was so powerful, pieces of pipe snapped off, one of which rocketed through the air and was never found.

The corrosion built up as a result of water that accumulated under the insulation that surrounds the line. The insulation was never replaced when it was peeled away following an inspection more than 10 years ago. BP had told state environmental investigators that heavy snowfall in 2003 prevented the company from inspecting the portion of the line that separated. But BP did not re-inspect the line when the snow melted.

According to a February 20, 2009, letter sent to Tony Brock, BP Alaska's senior vice president and technical director from the Alaska's Department of Natural Resources, which is investigating the incident, "Had the high pressure gas pipeline failure occurred under slightly different circumstances, the results would have been catastrophic, potentially with the loss of life."

Recently, the House Energy Committee asked John Minge to provide the panel with the results of an internal investigation into the rupture, which he did in late February. The committee has not released the details of BP's own probe into the incident.

Kovac points out that the safety and maintenance issues currently plaguing Prudhoe Bay contradict a promise then-BP President Robert Malone made to Congress in September 2006.

"We recognize that there has been a series of troubling problems that are unacceptable to us and contrary to our values," Malone said, referring to revelations following the largest oil spill on Alaska's North Slope, that the conglomerate, among other things, failed for more than a decade to inspect its pipelines for corrosion and retaliated against employees who raised safety concerns. "I commit to members of Congress that I have been given the authority, the resources and the people to assure you that BP America will overcome and ultimately be strengthened by this challenge."

Overworked

One of the other major issues, according to Kovac and other employees that may also have been a contributing factor in the two most recent oil spills and has been identified in internal company documents as an "imminent safety risk," is 16-18 hour work shifts, due in large part to a shortage of trained personnel.

BP's own internal studies have shown that employees who work more than 16 hours during a 24-hour time period can lack the mental capacity to make sound and timely decisions. Yet during 2009, 16-plus hour work shifts were routine at Prudhoe Bay, with employees working beyond 16 hours about 200-400 times per month, 75 percent of which represented 18 hour work shifts, according to internal BP documents.

Another internal BP document, dated September 8, 2009, shows that a BP employee worked 36 consecutive days of 16 and 18 hour shifts in 2009, in violation of several of BP's own policies.

According to Pascal, the EPA's former debarment counsel, BP told her 10 years ago that the company intended to come up with a plan to "fix" the 16-18 hour work shifts.

"John Minge himself told me that the issue of overtime had not been corrected or settled," Pascal said. "This has been a problem since 2000 when employees started complaining to me about it and management intended to fix it. Clearly, it's still not fixed."

BP employees who work at Prudhoe Bay are supposed to work 12-hour shifts for two weeks, and then receive two weeks off. Employees who work beyond 12 hours receive overtime pay. Kovac said the overtime issue has been ongoing for several years and, despite complaints dating back more than a decade, BP has only recently addressed the issue because of a fear employees would publicize it.

He said some employees are “happy” to work beyond 12 hours because BP pays very well and workers can earn a hefty salary in overtime alone. But, he said, it’s “not a healthy situation and creates a dangerous environment.”

“It’s not a good idea,” Kovac said. “Working more than 12 hours during a shift affects decision making and response time and can cause disasters. People have to take catnaps while operating large volumes of hydrocarbons under high pressure. We will have accidents as a result of it.”

BP has addressed the issue by hiring technicians, but even that has not solved the problem, as it takes three to four years, Kovac said, for a trainee to be fully prepared to work on the North Slope.

“The number of new technicians sent to the operating facilities since 2006 and the slower-than-expected pace of newly-hired technician training has not kept pace with ‘leavers,’ new work activities requiring substantial facility/field production technician support, and support for external commitments made and BP initiatives,” according to an October 2009 internal BP document discussing overtime concerns and its impact on the safe operations of Prudhoe Bay.

> “Additionally, the facility and field-production-authorized complements are insufficient relative to the quantity of absences that occur continuously; thus, the combination of vacancies, not-fully qualified technicians, and absences results in ‘open positions’ for facility staffing that must be filled by 18 hour work shifts.
>
> Currently, as much as 50 percent of the 16-plus hour work shifts result from ‘open positions’ filled to cover vacancies and absences to staff facilities and field production positions to the level we established through [Process Hazard Analysis] for safe operation.”

“Thirty to forty-five percent of the 16-plus hour work shifts are caused by work activities associated with commitments made to deliver against targets established for external commitments or performance contracts,” the BP document says. “Five to 15 percent of 16-plus hour work shifts are caused by work activities directly associated with production. Wellpad operators are being consistently scheduled for 16-plus hour work shifts (primarily 18 hour work shifts) in order to fill ‘open positions.'”

In 2009, there were 652 instances in which wellpad and drillsite operators worked in excess of 16 hours.

“Since wellpad operators are designated professional drivers, the scheduling represents a deliberate non-conformance to BP Group Standard for Driving Safety and [the BP Exploration Alaska] Driving Safety Policy,” said the October 2009 memo sent to BP’s Alaska officials.

“Rather than hire more people who are rested, [BP} would rather work tired workers with too much to do for 18 hours in an environment that handles hazardous and explosive materials,” Pascal said in an interview. “Why hasn’t Congress and the [Occupational Safety and Health Administration] weighed in on this chronic problem that is just another symptom of chronic cost-cutting?”

An OSHA spokesperson did not return calls for comment and an Energy Committee

investigator said Waxman is “looking into it.”

The document advised BP’s management in Alaska to immediately intervene in order to reduce the 16-plus hour work shifts, and if that did not happen, an explanation must be given to employees, BP’s corporate officials, Congress and others for why BP Alaska is willing to accept the “current condition of risk for a number of years until accelerated hiring has an eventual impact.”

“Allowing the continuation of the 16-plus hour work shifts would be seen by internal and external stakeholders as putting production ahead of safety,” the document said.

In a letter dated February 3, 2010, prepared for BP Alaska President John Minge, BP’s Ombudsman, former CIA General Counsel and retired judge Stanley Sporkin, said his office has been “engaged in oversight of the overtime and staffing issues that continue to be raised by employees.”

“As a result of these concerns, [BP Alaska] changed its overtime policies to limit the number of hours of overtime that can be worked continuously,” said Sporkin’s letter, which was prepared for Minge in response to recent congressional inquiries about Prudhoe Bay. “In addition, it is taking a more comprehensive approach to hiring and training technicians and operators so that there is more availability of personnel and less need for overtime by the current workforce. These changes will take a while to implement.”

Lingering Safety Issue

Back in 2001, Kovac and several other BP employees and management officials prepared an Operations Integrity Review report identifying safety and maintenance issues the company needed to address to protect the welfare of its workers. One of the items employees identified that was in dire need of upgrading was the fire and gas systems at the North Slope facilities, a project estimated to cost about $1 billion that should have been completed, depending on who you speak to, by 2003 or 2005.

After the massive oil spills in March and August 2006, many of the same employees, along with a top BP Prudhoe Bay official, conducted a re-review of the 2001 report to determine what projects BP still needed to tackle. Nearly a decade later, the fire and gas systems have yet to be fully upgraded, largely due to budget cuts, a fact that Rinehart denies.

According to a document prepared for the House Energy and Commerce Committee earlier this year describing the status of BP’s Fire and Gas Renewal Program, BP admitted that the project “did not proceed as quickly as we had anticipated,” but the company claims the “slower pace did not reflect a change in our level of commitment, but rather was a conscientious adjustment during 2008 that we undertook for technical reasons as we learned more about the scale and complexities of the project.”

BP claims it invested twice as much money in 2009 than it did in 2008 – $49 million – and, as of February, was set to spend another $60 million on the project. But while that may sound like quite a bit of money, it means that, if spending at that pace continues, it will take BP more than a decade to complete the upgrades – twenty years after employees identified it as a major safety issue.

BP denied to Congress that budget cuts have or will play a part in 2010. But that was before the disaster in the Gulf.

“You asked us what impact any proposed ‘budget cuts’ would have on fire and gas upgrade plans, and the answer is simple: we have not reduced our financial commitment for the fire and gas upgrade plan because of ‘budget cuts,'” the document said. “The 2008 re-assessment described above was focused on technical considerations, not financial concerns.” Kovac said the fact that BP performed a “reassessment in 2008 is a self-indictment.”

“They were supposed to do something years ago,” he said. “And seven years pass and you still haven’t finished. When is the issue going to be resolved? It’s a very simple question. How many facilities are obsolete that need fire and prevention system upgrades? This is not that complicated. How many? BP won’t say.”

“First, understand the facilities are safe, and the fire and gas detection/alarm systems are functional,” said Rinehart, the BP Alaska spokesman. “The upgrade is an ongoing, substantial project; more than $90 million invested since 2006. We have not reduced our work plan or commitment to this project as a result of any budget pressures. The work is being carefully staged. Other work has been done at the processing centers, and several more projects are being done this year, while planning continues looking ahead.”

Regarding Rinehart’s statement that BP Alaska has spent $90 million since 2006, a senior BP official said, “it’s not terribly remarkable.”

“Do the math on a per year spend,” he said. “There’s no mention of total potential spend as well as completion year.”

Mischaracterizing the Facts

Since the 2006 oil spills, Congress has stepped up its oversight of BP, mainly in the form of writing letters to company officials, requesting documents about the status of various projects, and inquiring about other matters brought to the attention of lawmakers by employees working at Prudhoe Bay.

In January, Reps. Henry Waxman (D-California), the chairman of the House Energy Committee, and Bart Stupak (D-Michigan), the chairman of the Subcommittee on Oversight and Investigations, did just that when they sent a letter to Minge, BP’s Alaska president, seeking information about how BP was managing its Prudhoe Bay operations, as well as seeking internal reports about the circumstances behind five serious incidents at Prudhoe Bay dating back to September 2008, one of which ended in tragedy.

In addition, the lawmakers sought information from the ombudsman’s office regarding the “number and type of concerns received and the actions the company has taken in response.” The ombudsman’s office was set up in 2006 in the aftermath of the oil spills, and investigates concerns raised by employees about a wide range of issues, such as safety, maintenance, retaliation and harassment.

Minge wrote to Sporkin, the ombudsman, asking him to provide him with a report to turn over to Waxman’s committee. Sporkin drafted a six-page letter, a copy of which was obtained by Truthout. He said that, since 2006, the office has registered 202 employee concerns, more than half of which generated from Alaska.

Sporkin also said his office “had the opportunity to address concerns at two off-shore platforms, including a case that came in on Christmas Eve 2006 regarding potential safety

issues in an operation planned for over the holiday." It's unknown what was the substance of the incident involving offshore drilling platforms Sporkin was referring to.

The Office of the Ombudsman, according to Sporkin's letter, places employee concerns into three categories: Level 1 represents "system integrity or safety issues" and is the most serious; issues that could impact safety are classified as level 2, and human resources issues are identified as level 3. The ombudsman's office is currently conducting 57 investigations. In explaining how successful he felt the ombudsman program has been, Sporkin cited a level 1 safety incident that took place during the summer of 2008, "involving a high pressure gas line that runs across the field, including in close proximity to several North Slope housing camps and critical facilities."

"The Concerned Individual identified that the line, which was scheduled for 'smart' pigging [a device used for cleaning and identifying corrosion], was not going to be pigged in 2008 as a result of deferred work necessary to enable the pigging operation," Sporkin wrote. "As a result of the Ombudsman's intervention, and management support, [BP Alaska] undertook substantial compensatory actions through alternative testing to assure that those parts of the line that presented potential a safety risk to people or facilities were evaluated. Indeed, several areas of risk identified and repaired during the operation, and other areas were more closely monitored. The level of effort undertaken throughout the winter season was extraordinary, and the line was successfully pigged in 2009, with additional repairs ongoing. This is an example of the value from our intervention activities."

There was just one problem with Sporkin's explanation prepared for Congress: it wasn't entirely true. Employees said BP management did not immediately deal with the issue involving the natural gas injection line, nor was it originally brought to the attention of Sporkin in 2008 as he indicated in his letter. In fact, the issue surfaced three years earlier when Stuart Sneed, a contract employee with a stellar safety record, brought the matter to the attention of Paul Flaherty, an external investigator who, since 2002, has provided a confidential avenue for BP Alaska employees to raise concerns.

Flaherty also works with Sporkin.

In an interview, Flaherty confirmed employees' accounts that Sneed brought the corrosion issue to his attention in late 2005. Flaherty said he looked into the matter and found enough evidence to prove the allegations were true, and that a large number of "ultrasonic external corrosion inspections" indicated the integrity of the line was a major concern that needed immediate attention.

Flaherty said he raised the issue with BP's officials in Alaska, and was given assurances that they would take action to correct the corrosion. Flaherty said he monitored the progress roughly every six months, and became concerned that corrective measures on this line were not being implemented on a timely basis.

In late spring of 2008, Flaherty discovered BP Alaska had made little progress repairing the line. During this time, he started working with Sporkin and shared the issue with the Ombudsman Office, and together they characterized the issue as a level 1, "potential for imminent danger."

Flaherty said Sporkin's involvement, with support of Robert Malone, got the attention of BP's Alaska management. He says that without Sporkin's support and intervention, serious risks

and potential harm to the slope and its workers were possible.

Interestingly, Malone unexpectedly retired from BP in early 2009, which, according to two BP Alaska officials, appeared to be the result of differences he had with Chief Executive Tony Hayward and Chief Operating Officer Doug Suttles. These differences included Malone's support of the Office of the Ombudsman, set up in 2006 as a clearinghouse for employee concerns, and between others within BP that wanted to close this office.

According to Pascal, BP's primary goal in negotiations with EPA in February on a settlement related to debarment was to get rid of Sporkin's office and replace it with a BP employee, so BP could control the outcome and information being divulged to the government. Pascal said she was "adamant" in opposing this. Sporkin's February 3 letter to Minge said that Lamar McKay, the president and chairman of BP America, has extended the ombudsman's contract until June 30, 2011.

Sneed, who employees were interviewed by Flaherty during the course of a separate investigation he conducted into safety issues Sneed raised, said he, "was likely to be the most careful technician on the Slope," and was "considered by his peers to be a very thorough and competent inspector." Sneed became the subject of retaliation by the company under contract to BP, Acuren, for reporting a number of issues on safety and retaliation both through internal BP-sanctioned safety programs, and to Flaherty.

He was eventually fired in 2007, and waged an unsuccessful and costly legal battle against Acuren. Sneed noted that he felt BP management supported Acuren's action of retaliation against him through "passive support of Acuren and no intervention on his behalf even though his efforts were exactly as BP indicates it wants people to behave."

"In my opinion, Stuart was blacklisted and is without a job since 2007 because of his willingness to raise integrity and safety issues," Flaherty said. "In addition to the pain Sneed has experienced for doing the right thing," Flaherty expressed "a deep concern that other workers may not raise safety and other issues to management that need attention, because they are well aware of what happened to Stuart Sneed."

Flaherty said he did not know why Sporkin's letter contained incorrect information. He said he didn't see it until after it was sent to Congress, but he advised Sporkin that the facts surrounding the 2008 case in his letter were incorrect. According to an investigator on the Energy Committee, Sporkin never did contact them with corrections.

Kovac and other BP employees said they don't believe BP has the wherewithal to tackle the issues plaguing Prudhoe Bay.

"This company seems incapable of managing its assets safely," Kovac said.

***Jason Leopo**ld is the Deputy Managing Editor at Truthout. He is the author of the Los Angeles Times bestseller, News Junkie, a memoir. Visit newsjunkiebook.com for a preview.*

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