COMMITTEE ON THE BUDGET

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

Congress of the United States

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October 14, 2015

Loretta E. Lynch, Attorney General U.S. Department of Justice 950 Pennsylvania Avenue NW Washington, DC 20530-0001

Dear Attorney General Lynch,

As Members of the House Oversight and Government Reform Committee, we are alarmed by allegations that Exxon (becoming ExxonMobil in 1999) intentionally hid the truth about the role of fossil fuels in influencing climate change. Investigations by the *Los Angeles Times* and *Inside Climate News* allege that Exxon scientists confirmed fossil fuels' role in climate change decades ago, but top executives decided to hide the truth and instead embarked on a massive campaign of denial and disinformation.¹

ExxonMobil's apparent behavior is similar to cigarette companies that repeatedly denied harm from tobacco and spread uncertainty and misleading information to the public. The Department of Justice (DOJ) prosecuted tobacco companies under the Racketeer Influenced and Corrupt Organizations (RICO) Act. We ask that the DOJ similarly investigate ExxonMobil for organizing a sustained deception campaign disputing climate science and failing to disclose truthful information to investors and the public. We request the DOJ investigate whether ExxonMobil violated RICO, consumer protection, truth in advertising, public health, shareholder protection or other laws.

According to the investigation by *Inside Climate News*, in July 1977 at an Exxon Management Committee meeting, senior Exxon scientist James Black "delivered a sobering message: carbon dioxide from the world's use of fossil fuels would warm the planet and could eventually endanger humanity." In 1978 Exxon "launched its own extraordinary research into carbon dioxide from fossil fuels and its impact on the earth." Exxon "assembled a brain trust that would spend more than a decade deepening the company's understanding" of global warming.⁴

In 1982, Exxon prepared a corporate primer on carbon dioxide and climate change. The primer—which was circulated to management but marked "not to be distributed externally"—stated that heading off global warming "would require major reductions in fossil fuel

¹ See Sara Jerving et al., "What Exxon Knew About the Earth's Melting Arctic," Los Angeles Times, Oct. 9, 2015; Neela Banerjee et al., "Exxon: The Road Not Taken," Inside Climate News, Sep. 21, 2015.

² Neela Banerjee et al., "Exxon: The Road Not Taken," Inside Climate News, Sep. 21, 2015.

³ *Id*.

⁴ Id.

combustion" and that unless that happened "there are some potentially catastrophic events that must be considered." Exxon "did not elaborate on the carbon problem in annual reports filed with securities regulators," nor did Exxon "mention in those filings that concern over CO2 was beginning to influence business decisions it was facing."6

In 1988, instead of following their own scientists and the actual science, Exxon apparently started doing the opposite and engaged in a campaign of denial and disinformation. The company "started financing efforts to amplify doubt about the state of climate science." Exxon "helped to found and lead the Global Climate Coalition, an alliance of some of the world's largest companies seeking to halt government efforts to curb fossil fuel emissions."8

Despite its public efforts to deny climate change, Exxon apparently took company actions based on its knowledge of global warming. According to the Los Angeles Times investigation, in 1990 engineers at Exxon "were quietly incorporating climate change projections into the company's planning and closely studying how to adapt the company's Arctic operations to a warming planet." A top Exxon researcher, Ken Croasdale, explored how much easier and cheaper oil drilling in the Arctic would be with a melting ice cap. 10

The Times investigation concluded that "As Croasdale's team was closely studying the impact of climate change on the company's operations, Exxon and its worldwide affiliates were crafting a public policy position that sought to downplay the certainty of global warming." The Times identified a "gulf between Exxon's internal and external approach to climate change." 12

The apparent tactics employed by Exxon are reminiscent of the actions employed by big tobacco companies to deceive the American people about the known risks of tobacco. In this case, Exxon scientists knew about fossil fuels causing global warming and Exxon took internal actions based on its knowledge of climate change. Yet Exxon funded and publicly engaged in a campaign to deceive the American people about the known risks of fossil fuels in causing climate change. If these allegations against Exxon are true, then Exxon's actions were immoral. We request the DOJ to investigate whether ExxonMobil's actions were also illegal.

Sincerely,

Ted W. Lieu

Member of Congress

Member of Congress

⁵ *Id*.

⁶ Id.

⁷ Id.

⁹ Sara Jerving et al., "What Exxon Knew About the Earth's Melting Arctic," Los Angeles Times, Oct. 9, 2015. ¹⁰ Id.

¹¹ Id.

¹² Id.