



BLM Issues “Tim DeChristopher” Lease Sale Safeguard Instruction Memorandum

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In response to issues related to the false and fraudulent bidding by Tim DeChristopher at the Utah Bureau of Land Management (BLM) December 2008 Oil and Gas Lease Sale, BLM has issued Instruction Memorandum (IM) No. 2010-099, *Measures to Better Safeguard Competitive Oil and Gas Lease Sales* (April 13, 2010). The purpose of the IM is to prohibit disruptive bidding activity that is contrary to the public interest.

BLM is incorporating several new policies for federal oil and gas leases sales. These include:

- Collecting and compiling lists of parties that have failed to pay for high bids. These lists will be distributed to BLM state offices prior to future sales.
- Include new language in the Notice of Competitive Lease Sale and Bidder Registration Form that describe the criminal penalties for make false and fraudulent statements in the lease-sale process.
- The opening remarks for each sale will also include a statement regarding the requirements of the high bidder, bidders must bid in good faith and fraudulent bidding will result in criminal penalties.
- Require valid government-issued photo identification.
- Establishing a procedure for collection of all bid monies not paid on the day of the lease sale or within 10 working days after the sale. The nonpaying high bidder will be entered into the BLM Collection and Billing System for collection of the debt.
- If a bidder has not paid the minimum due from a previous lease sale, that bidder would be barred from registering at a future BLM oil and gas lease sale until the debt is satisfied.

It is unclear how any of these measures would have prevented Tim DeChristopher from making the false and fraudulent bids at the December 2008 Utah BLM Oil and Gas Lease Sale as he would have been able to meet all of the requirements listed in the IM. In any event, BLM IM No. 2010-099 is the culmination of BLM's response to the disruptions of the Utah BLM December 2008 lease sale and its attempt to establish consistent procedures and policy for the federal oil and gas leasing process.

Tim DeChristopher was indicted last year on charges of providing a false statement and violating the Federal Onshore Oil and Gas Leasing Reform Act. His three-day jury trial is scheduled to begin June 21, 2010 before Judge Dee Benson in Utah federal court.



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