Judge To Review Halliburton's Gulf Deal

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A federal judge is set to decide whether to approve a plea agreement that calls for Halliburton Energy Services to pay a $200,000 fine for destroying evidence after BP's 2010 oil spill in the Gulf of Mexico. U.S. District Judge Jane Triche Milazzo can either accept or reject the Houston-based company's deal with the Justice Department. If she accepts it, she must impose the agreed-upon sentence. Halliburton can withdraw its guilty plea if she rejects it. Halliburton was BP's cement contractor on the drilling rig that exploded in the Gulf in April 2010, killing 11 workers and spawning the nation's worst offshore oil spill.

Unlike BP and rig owner Transocean Ltd., Halliburton has not been charged with a crime related to the causes of the disaster. The charge to which it agreed to plead guilty — a misdemeanor count of unauthorized destruction of evidence — involved a post-spill review of the cement job on BP's blown-out Macondo well. The fine Halliburton agreed to pay is the statutory maximum for the charge. The deal announced in July also calls for Halliburton to be on probation for three years and to make a $55 million contribution to the National Fish and Wildlife Foundation, but that payment was not a condition of the deal. Halliburton won't face any other criminal charges in connection with the case, though individual employees could still be charged.

BP resolved a Justice Department criminal probe of its role in the Deepwater Horizon disaster when it pleaded guilty in January to manslaughter charges for the deaths of the rig workers and agreed to pay a record $4 billion in penalties. Transocean pleaded guilty in February to a misdemeanor charge of violating the Clean Water Act and agreed to pay $400 million in criminal penalties. In a court filing last week, Halliburton and prosecutors said their plea agreement imposes "fair, just, and appropriate corporate punishment" and reflects the company's "full, truthful and ongoing cooperation" with the government's spill probe.

Prosecutors said that in May 2010 Halliburton's cement technology director in May 2010 directed a senior program manager to run computer simulations on centralizers, which are used to keep the casing centered in the wellbore. The results indicated there was little difference between using six or 21 centralizers. The data could have supported BP's decision to use the lower number. The cement technology director allegedly instructed the program manager to delete the results. The program manager "felt uncomfortable" about the instruction but complied, according to prosecutors.

A different Halliburton employee also deleted data from a separate round of simulations at the direction of the cement technology director, who was acting without the authorization of the company, prosecutors said. Halliburton notified investigators from a Justice Department task force about the deletion of data.

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