Summary: Third-Party BOP Verifications in the Gulf of Mexico

Report Date: July 11, 2016

OIG investigated a complaint alleging that a company conducted substandard independent third-party blowout preventer (BOP) verifications on offshore oil and gas platforms. A BOP is a critical safety device that can be activated during emergency situations to regain control of well fluids and prevent a loss of well control. It was also alleged that the company may have falsified BOP verifications.

We found that the company had acquired a second company, which had completed a majority of BOP verifications in the Gulf of Mexico. Prior to its acquisition, the second company had exceeded compliance standards when conducting its BOP verifications. After the acquisition, however, the first company lowered its verification standards to meet minimum requirements established by Federal regulations and the American Petroleum Institute.

We found that despite the fact that the first company lowered its verification standards after acquiring the second company, the first company was compliant because the regulations do not have specific standards for completing independent third-party BOP verifications and only require that a company be "a licensed professional engineering firm." We did not identify any instances of the first company falsifying or misrepresenting BOP verifications to the Federal Government.

This is a summary of an investigative report that we provided to the Bureau of Safety and Environmental Enforcement and did not require a response.



