

For Immediate Release: November 2, 2017

Contact: Jana Morgan, Director - jmorgan@pwyusa.org

Mobile 703-795-8542

Office 202-496-1189



Trump Administration Further Erodes US Leadership on Combatting Corruption
United States Withdraws from Global Transparency Initiative

Washington, D.C. - Today the Department of the Interior (DOI) announced its decision to [withdraw from the Extractive Industries Transparency Initiative](#) (EITI) as an implementing country. The DOI's letter to the chair of the EITI board erroneously blames US law for the US' inability to comply with the disclosure standard. This move comes on the heels of the repeal of a [critical anti-corruption safeguard](#) earlier this year and further weakens US leadership in combatting corruption.

"We are disappointed with the Department of Interior's unilateral decision to withdraw from USEITI. We are dismayed by the DOI's characterization that meeting the EITI validation standard is somehow stymied by US law. In reality, the refusal of all but a handful of the involved companies to disclose tax payments - not US law - rendered the US unable to meet the basic level of transparency required by the EITI. To be clear, US law **does not** prevent oil, gas or mining companies from voluntarily disclosing their taxes - common practice in the dozens of EITI implementing countries," said Jana Morgan, Director of Publish What You Pay - United States. "In fact, Houston-based oil company Kosmos Energy voluntarily [disclosed](#) their tax payments to the US government last year. However, with the support of the American Petroleum Institute (API) companies like Chevron and ExxonMobil have consistently refused to comply with the EITI requirement to disclose their federal tax payments."

Efforts to implement USEITI were dealt a direct blow in the earliest days of the Trump administration, when Congress passed a bill to repeal the implementing rule for the Cardin-Lugar anti-corruption provision. The regulation required all US-listed oil, gas and mining companies to publicly disclose their project-level payments in every country of operation, including the United States. Chevron and ExxonMobil have long touted their participation in the EITI as evidence of their commitment to transparency, even sitting on the International Board. Yet these companies, along with Big Oil's lobbying arm, API, have fought for years to undermine Cardin-Lugar. These efforts amounted to an [act of bad faith according to USEITI multi-stakeholder group by-laws](#) and should have resulted in the the removal of API and others from the multi-stakeholder group.

"It is apparent that companies like Exxon and Chevron, along with API, support transparency in name only," Morgan continued "If companies want to demonstrate their commitment to transparency and the EITI, they should report taxes and other payments consistent with the international transparency standard that they not only agreed to, but helped establish."

The Obama Administration demonstrated groundbreaking leadership in 2010 by passing the Cardin-Lugar provision as part of the Dodd-Frank Act. The rest of the world soon followed, and now similar laws are being implemented in 30 countries around the world. “This latest move by the Trump Administration further deteriorates US influence in this space, and represents another embarrassing backwards step for an Administration that has proven to be weak on combatting corruption,” said Morgan.

##

Note to Editors

- (1) November 2, 2017 Department of the Interior [letter announcing withdrawal](#).
- (2) The EITI is a global anti-corruption initiative that requires oil, gas, and mining companies to report payments, including taxes, for access to natural resources, and that governments report the revenues they receive from the sector. Individual countries sign on to the initiative, and implementation of the EITI standard is carried out in consultation with a multi-stakeholder group that consists of representatives from government, industry, and civil society. In the United States, the implementing agency for the EITI is the Department of the Interior.
- (3) First Quarter 2017 Lobbying Disclosures show USEITI industry members lobbying for the repeal of the Cardin-Lugar regulation. ([ExxonMobil](#)) ([Chevron](#)) ([American Petroleum Institute](#)); see e.g. lobbying activities related to H.J. Res. 41 ([link](#)), and S.J. Res. 9 ([link](#))
- (4) Other major oil, gas and mining companies that [have disclosed their tax payments](#) to the US government include BHP Billiton, Shell, Statoil, Total and BP.
- (5) Letter from USEITI Civil Society representatives to the DOI [requesting the resumption of MSG meetings](#) after they were cancelled and civil society silenced in a February MSG meeting.
- (6) [Civil Society critique](#) of June 2017 Department of the Interior's Inspector General report on US implementation of the EITI Standard.