**MGT 462 written analysis**

**Instructor: Gorman**

Instructions

Address the questions below as completely as possible within the five page limit.

Since you have limited space in which to provide your answers, I’ll suggest a guideline: The most valuable sentences you can write are those which *interpret*, not *repeat*, information given in the article. I will assume that any concepts not mentioned in your answer are concepts that you are saying are not very important to your answer. Describe key alternative answers or explanations when relevant.

Send a single attachment to [mediumcoolprofessor@gmail.com](mailto:mediumcoolprofessor@gmail.com). The assignment is due at end of the final exam slot for this class, which is Wednesday, May 14, 10:15 am – 12:15 pm.

This assignment is designed to be completed within a normal two-hour final exam period, so I do not recommend spending more time than that.

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**The question:** Review the article I have provided below. Based on the article:

* What are the three most difficult ethical and moral dilemmas the company was facing at the time?
* What should BP do and why?

By [Editorial page staff, NOLA.com | The Times-Picayune](http://connect.nola.com/user/nolatpedit/posts.html)   
on November 17, 2012 at 2:00 AM, updated November 17, 2012 at 12:25 PM

[Print](http://blog.nola.com/opinions_impact/print.html?entry=/2012/11/undoing_the_damage_of_deepwate.html)

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BP's [$4 billion settlement of criminal penalties](http://www.nola.com/news/gulf-oil-spill/index.ssf/2012/11/bps_profits-first_culture_prom.html) stemming from the Deepwater Horizon oil spill is just the first step in holding the company legally accountable for the horrific damage it did to the Gulf Coast and for the deaths of 11 men on the rig. The question of civil penalties for environmental damage, which are expected to be far larger, has yet to be settled. Still, this is a significant moment.

[BP](http://topics.nola.com/tag/bp/index.html) is acknowledging responsibility for the lives lost when the rig exploded in April 2010. The company pleaded guilty in U.S. District Court in New Orleans Thursday to felony counts of misconduct or neglect in connection to the deaths of Adam Weise, Jason Christopher Anderson, Aaron Dale Burkeen, Donald Neal Clark, Stephen Ray Curtis, Gordon Lewis Jones, Roy Wyatt Kemp, Karl Dale Kleppinger Jr., Keith Blair Manuel, Dewey Allen Revette and Shane Michael Roshto.

That admission of guilt should bring a measure of solace to the families of the men who died. "The majority of the focus is on the economy and the environmental impact, which is immense, I know. I understand that," said Arleen Weise, a Yorktown, Texas, resident who lost her 24-year-old son, Adam. But the men who died shouldn't take a back seat, she said. She's right.

Two top-ranking company employees were indicted Thursday on manslaughter charges, and a third is facing charges of obstruction for allegedly providing Congress with false estimates of how much oil was spilling into the Gulf from the broken wellhead. It remains to be seen what will come of those charges, but they send a strong message that safety shouldn't be ignored.

Louisianians were reminded Friday of the dangers of working in the Gulf. Two workers were missing after [a fire on a defunct rig](http://www.nola.com/traffic/index.ssf/2012/11/two_missing_but_not_confirmed.html#incart_maj-story-2) 25 miles southeast of Grand Isle. The cause was still being investigated, but it appeared that a torch was being used to cut a pipe when the fire erupted. Officials said they didn't expect a large release of oil.

In court Thursday, BP also pleaded guilty to one misdemeanor count under the Clean Water Act; one misdemeanor count under the Migratory Bird Treaty Act; and one felony count of obstruction of Congress. In addition to the $4 billion in criminal penalties, BP agreed to pay the Securities and Exchange Commission $525 million over three years for misleading Congress and the public about the flow of oil from the broken well.

The agreement has yet to be approved by U.S. District Judge Sarah Vance. Assuming that happens, Louisiana appears to be in line for $1.2 billion of the settlement to restore barrier islands and build a freshwater diversion to capture sediment from the Mississippi River for replenishing coastal wetlands.

That amount is a small slice of the state's $50 billion, 50-year restoration plan for coastal Louisiana, but it could jump-start important projects. The Obama administration must get the money to Louisiana quickly and with as little bureaucratic interference as possible. The state has worked diligently to craft a plan for rebuilding our eroding coast and is poised to put this money to good use.

It is imperative that President Obama and his administration also continue to aggressively pursue civil penalties for the spill. BP said in a news release Thursday that it will "vigorously defend itself against remaining civil claims." The government should be just as vigorous in its pursuit of the civil case, as Attorney General Eric Holder promised Thursday.

Despite the guilty plea, the expectation is the company will argue that the oil spill was an accident. BP is trying to avoid being found "grossly negligent" under the Clean Water Act -- and limit its liability to as little as $5 billion. A finding of gross negligence could increase the fines to $21 billion or more, based on the release of 4.1 million barrels of oil into the Gulf of Mexico.

The finding, obviously, makes a huge difference to Louisiana and the other Gulf Coast states that suffered massive environmental and economic damage because of BP. Under the [Restore Act](http://topics.nola.com/tag/restore%20act/index.html), Congress has assured that the vast majority of BP's Clean Water Act fines will go to the five coastal states damaged by the spill.

Now the Obama administration needs to make sure that BP pays the highest penalties possible to undo some of the damage it has done.