

Utah: BP Amoco double-dipped on insurance

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Dispute • Suit says oil company pocketed \$1.5M from insurance fund for cleanups.

By Judy Fahys The Salt Lake Tribune

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Utah is suing BP Amoco for allegedly double-dipping insurance reimbursements tied to cleanups of leaking underground tanks.

The civil suit was filed by the Utah Attorney General's Office in 3rd District Court on behalf of the Division of Environmental Response and Remediation. It says the company illegally took \$1.5 million from the state's Petroleum Storage Tank Fund, a state insurance pool, to cover cleanup costs at BP Amoco service stations from 1995 to 2007, even though the company already had insurance.

"We have a responsibility to make sure the fund is used appropriately," said Brent Everett, director of the state's environmental cleanup programs.

The state insurance pool allows oil companies to be reimbursed from the tank fund only when they lack private pollution liability coverage. But BP Amoco did not tell the state it already had coverage. The state is seeking reimbursement of the \$1.5 million, in addition to interest and penalties.

BP spokesman Scott D. Dean said: "We have no comment on this pending legal matter."

Announced by the Utah Department of Environmental Quality Tuesday, this case

parallels a lawsuit the state filed against ConocoPhillips earlier this year, as well as similar claims other states have made against oil companies.

Lawmakers created the cleanup fund in 1989 as a way to help petroleum tank owners meet federal financial assurance requirements for underground storage tanks. More than 4,500 tanks have already been cleaned up, many with the fund's help.

Fees on the tanks, installation company permits and a surcharge on fuel sold at participating service stations fund the insurance program, which has a cash balance of \$12.5 million. Companies with leaky tanks pay a \$10,000 deductible to cover cleanup costs of up to \$2 million.

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