ExxonMobil Just Got Caught Trying To Add An Oil CEO Who "Colluded With OPEC" To Drive Up Prices For American Consumers To Its Board.

This Is Just The Most Recent In A String Of Anti-Consumer Actions The Oil Giant Has Made.

SUMMARY: As a part of a deal to acquire the oil company Pioneer Natural Resources, ExxonMobil agreed to put that company's founder and long-time CEO Scott Sheffield on the ExxonMobil board of directors.

While the acquisition is complete, the Federal Trade Commission (FTC) has stopped one condition of deal; adding Pioneer's founder and long-time CEO Scott Sheffield to Exxon's board. In a complaint, the FTC said that text messages show Sheffield had "colluded with OPEC" in a plan to drive up oil prices and hurt US consumers. Sheffield's appointment would also be "anticompetitive" because he sits on boards of other companies that compete with ExxonMobil.

Sheffield would have been at home on the board of ExxonMobil. The company has a long record of benefiting from corporate greed and price gouging, particularly as American consumers faced high prices in 2021-22. During that time, ExxonMobil posted the highest profits of any US or European oil company in history– $55 billion, an increase of 136 percent over the previous year.

During that time, ExxonMobil CEO Darren Woods said that profitability was more important to the company than improving production, which would alleviate the pain US consumers were feeling. Instead, Exxon returned its billions in profits to shareholders through stock buybacks, shareholder dividends, and an 8-figure CEO pay increase.

ExxonMobil has a history of stiffing consumers at both ends of- both with high consumer prices and cheating on royalty obligations to mineral owners, including on public lands. The company has paid over $124 million in penalties and settlements for cheating on royalty payments.

ExxonMobil, A Company That Proudly Benefits From Corporate Greed And A Long Rap Sheet Of Cheating On Its Royalty Obligations, Won't Be Able To Add A Known Oil Price Manipulator To Its Board.

The Federal Trade Commission (FTC) Has Barred Oil CEO Scott Sheffield From Joining ExxonMobil's Board After He "Colluded With OPEC" To Drive Up Prices For US Consumers.

FTC Allowed Oil Giant ExxonMobil To Acquire Pioneer Natural Resources But Stopped Pioneer's CEO From Joining Exxon's Board Because Of His Record Trying To Manipulate Markets.

The FTC Found That Scott Sheffield, Pioneer's Founder, Past CEO, And Board Member "Colluded With OPEC" To Raise Crude Oil Prices. "The FTC said Thursday that Scott Sheffield, who founded Pioneer in 1997, colluded with OPEC and OPEC+ to potentially raise crude oil prices. Sheffield retired from the company in 2016, but he returned as president and CEO in 2019, served as CEO from 2021 to 2023, and continues to serve on the board. Since Jan. 1, he has served as special adviser to the company's chief executive." [Associated Press, 05/02/240]

- **FTC Called Sheffield's Appointment To Exxon's Board "Anticompetitive" Because Sheffield Also Had A Board Seat On Another Company Whose Projects "Directly Overlap With Exxon's Operations."** "Sheffield's appointment to Exxon's board also would be anticompetitive as he currently serves on the board of The Williams Companies, Inc., which operates a host of natural gas pipelines; natural gas gathering, processing, and treating assets; and other businesses that directly overlap with Exxon's operations. Sheffield's appointment would facilitate a board interlock among competitors, in violation of Section 5 of the FTC Act." [Federal Trade Commission, 05/02/24]

Scott Sheffield Had A "Plan" To "Get OPEC To Cut Production," Passing Higher Prices On To American Consumers.

FTC Found In Scott Sheffield's Text Messages That He Had A "Plan" To "Get OPEC To Cut Production." "Sheffield, for example, exchanged hundreds of text messages with OPEC representatives and officials discussing crude oil market dynamics, pricing and output. In discussing his efforts to coordinate with Texas producers under a production cut mandated by the Railroad Commission of Texas, Sheffield said, 'If Texas leads the way, maybe we can get OPEC to cut production. Maybe Saudi and Russia will follow. That was our plan,' he said, adding: 'I was using the tactics of OPEC+ to get a bigger OPEC+ done.'" [Federal Trade Commission, 05/02/24]

- **FTC Found That Shefflied Joining Exxon's Board Would "Harm Competition" And That Increased Prices Would Be "Passed On To Americans."** "As part of its proposed acquisition of Pioneer, Exxon agreed to 'take all necessary actions to cause Scott D. Sheffield … to be appointed to the board of directors' of Exxon ('Appointment Clause') after the Proposed Acquisition closes. By giving Mr. Sheffield a larger platform from which to pursue his anticompetitive schemes—as well as decision-making input and access to competitively sensitive information of Exxon—the Proposed Acquisition violates Section 7 of the Clayton Act because it would meaningfully increase the likelihood of 2 coordination, and thereby harm competition, in the market for development, production, and sale of crude oil. Increases in crude oil prices are passed on to Americans through higher gasoline, diesel, heating oil, and jet fuel prices." [FTC Complaint, accessed 05/06/24]

But ExxonMobil Is No Stranger To Benefitting From Rampant Corporate Price Gouging. The Oil Giant Recently Posted Its Highest Profits In History.

When US Consumers Were Struggling With High Energy Prices In 2021-22, ExxonMobil Made More Money Than Any US Or European Oil Company Ever Has And Turned The Profits Into Shareholder Dividends And Hefty CEO Pay Increases.

ExxonMobil's Profits Of $55 Billion Is The Most Any US Or European Oil Corporation Has Ever Made In A Year. ExxonMobil earned nearly $56 billion in profit in 2022, setting an annual record not just for itself but for any U.S. or European oil giant." [NPR, 01/31/23]

ExxonMobil Used Its Extraordinary Profits To Boost Its CEO's Total Compensation By $12.3 Million. The compensation package included a $6 million bonus and represented a 52% change over the previous year. [Securities and Exchange Commission, accessed 07/08/23]

Exxon Profit Increase During Period Of High Prices				
	2022 Profits	2021 Profits	% Increase	Source
	$55,740,000,000	$23,598,000,000	136%	Link

ExxonMobil CEO Darren Woods Says Making Money Is More Important Than Producing Energy: "Earnings Per Barrel Will Continue to Improve."

Woods Claimed That Profitability Was a Bigger Emphasis for Exxon Than Volume. "In Exxon's latest earnings call, in February, CEO Darren Woods emphasized the oil and gas giant's focus on profitability over volume of oil. 'One of the primary objectives we've had ... is less about volume and volume targets and more about the quality and profitability of the barrels that we're producing,' Woods told investors. While Exxon doesn't expect to increase how much oil it extracts, 'the earnings per barrel will continue to improve,' Woods said. 'As we move forward, you'll continue to see ... the quality of the barrels or profitability of the barrels increase.'" [*CBS*, 03/25/22]

Exxon CEO Darren Woods Credits Higher Energy Prices for His Company's Exorbitant, $10 Billion Buyback Program.

Woods Said High Energy Prices Allowed Exxon to Have Capital to Conduct Share Buybacks "We are back on track to deliver the growth and earnings and cash flow we anticipated," CEO Darren Woods said in an online event organized by the New York Times. Exxon can grow results "with a lot less capital." Its recent cost cutting coupled with higher energy prices provides "capital that we can put into (share) buybacks," Woods said. [OE Digital, 11/10/21]

Exxon Said It Was Using the Influx of Cash from High Prices to Launch A $10 Billion Share Buyback Program. "Exxon said it was using the influx of cash to launch a $10bn share buyback [program], adding that it had paid back much of the debt it took on during the 2020 downturn." [Financial Times, 02/01/22]

ExxonMobil Began A $10B Share Buyback Program That CEO Darren Woods Credited To High Prices.

ExxonMobil Began A $10B Share Buyback Effort in January 2022 Thanks to Its 2021 Profits. "Cash flow from operating activities increased to $48 billion, the highest since 2012. We used the available cash to restore our balance sheet, essentially paying back what we borrowed in 2020, reducing our debt-to-capital ratio to about 21%. As a result of our restored financial strength, we increased the annual dividend for the 39th consecutive year and announced a $10 billion share repurchase program that started last month." [*Motley Fool*, 02/01/22]

1. **Woods Claimed Exxon's Cost-Cutting Measures Would "Position Us to Lead in Cash Flow and Earnings Growth," While Company Said High Gas Prices Would Result in Increased Pace of Stock Buybacks.** "On Monday, Exxon disclosed a business shakeup to accelerate a $6-billion cut to operating expenses set in motion last year. The revamping will 'position us to lead in cash flow and earnings growth, operating performance, and the energy transition,' Chief Executive Darren Woods said in a statement. A continuation of high oil prices would 'cause us to increase the pace of the share repurchase program,' Chief Financial Officer Kathryn Mikells said. Exxon restarted buybacks last month after a long suspension, with a pledge to buy $10 billion by the end of 2023." [Reuters, 02/01/22]

ExxonMobil Has A History Of Violating Federal Royalty Rules And Ripping Off Public And Private Mineral Owners.The Company Has Paid Over $124 Million In Penalties And Settlements For Cheating On Royalties.

ExxonMobil Has Cheated On Royalty Payments For Its Federal And Indian Leases For Decades, Racking Up $33 Million In Penalties.

An ExxonMobil Subsidiary Had To Pay Interior Nearly $1 Million In 2018 For Violating Federal Leasing Laws. XTO Energy, in 2018, paid the Interior Department's Office of Natural Resources Revenue $890,000 in penalties because it "knowingly or willfully failed to provide requested information for a royalty audit." [ONRR Penalty Collections, FY2018]

- **XTO Energy Is A "Wholly-Owned Subsidiary Of ExxonMobil.** "On June 25, 2010, ExxonMobil acquired XTO Energy Inc. (XTO) by merging a wholly-owned subsidiary of ExxonMobil with and into XTO (the "merger"), with XTO continuing as the surviving corporation and wholly-owned subsidiary of ExxonMobil. XTO is involved in the exploration for, production of, and transportation and sale of crude oil and natural gas." [SEC, 12/31/11]

Mobil Oil Was Forced To Pay $32.2 Million In 2010 After Underpaying Royalties On Federal and Indian Leases For Over A Decade. "Mobil Natural Gas Inc., Mobil Exploration & Producing U.S. Inc. and their affiliates have agreed to pay the United States $32.2 million to resolve claims that they violated the False Claims Act by knowingly underpaying royalties owed on natural gas produced from federal and American Indian leases, the Justice Department announced today. The Mobil companies are alleged to have systematically under reported the value of natural gas taken from the leases from March 1, 1988, to Nov. 30, 1999, and, consequently, paid less royalties than owed to the United States and various American Indian tribes." [Department of Justice, 04/05/10]

An ExxonMobil Subsidiary Paid $80 Million After Oklahoma Landowners Sued The Company For Cheating On Its Royalty Obligations For 15 Years.

In 2018, An ExxonMobil Subsidiary Agreed To Pay $80 Million To Settle A Class-Action Lawsuit With Oklahoma Landowners After Underpaying Royalties From 2002-2017. "An Oklahoma judge on Tuesday approved a settlement by ExxonMobil Corp.'s XTO Energy Inc. that requires $80 million to be paid in a class action lawsuit regarding underpaid natural gas royalties. U.S. Magistrate Kimberly E. Ward also approved a payment of up to $32 million to the group's attorneys in Chieftain Royalty Co. v XTO Energy Inc., No. 6:11-CV-00029-KEW. More than 22,000 potential class members initially were identified by the settlement administrator." [Natural Gas Intelligence, 03/28/18]

An ExxonMobil Subsidiary Was Forced To Pay $11 Million To Settle A Lawsuit Brought By Private Mineral Owners Who Said They Were Cheated Out Of More Than $5 Million.

In 2015, Mineral Owners In Pennsylvania Sued An ExxonMobil Subsidiary, Alleging They Had Been Cheated Out Of More Than $5 Million In Royalties.. "Another lawsuit has been filed in Pennsylvania to recover post-production costs deducted from lessor's royalty payments, this time against ExxonMobil Corp. subsidiary XTO Energy Inc. The lawsuit was filed in U.S. District Court for the Western District of Pennsylvania by a family trust and a family farm that have a combined 303 acres under lease with XTO in Butler County. As lead plaintiffs, the group is also seeking class action certification for its complaint as others have done across the state" [Natural Gas Intelligence, 07/20/15]

- **The Class Action Suit Alleged The Oil Giant Had Cheated Mineral Owners Out Of More Than $5 Million.** "The lawsuit also claims that more than 100 landowners with XTO leases in Western Pennsylvania have similar grievances and are owed more than $5 million combined." [Natural Gas Intelligence, 07/20/15]

ExxonMobil's Subsidiary Resolved The Suit By Paying $11 Million. "An $11 million resolution to a lawsuit filed by two Butler County landowners against XTO Energy is pending in federal court. The resolution, which is subject to court approval, ends a class-action lawsuit against the oil company after a lawsuit was filed claiming insufficient natural gas royalty payments." [The Butler Eagle, 11/21/17]