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United States Senate

WASHINGTON, DC 20510

July 18, 2014

The Honorable Gregory H. Friedman
Inspector General
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Mr. Friedman:

I write to you in regard to investigations being conducted by the Federal Energy Regulatory Commission (FERC), into alleged manipulation in energy markets.

I want to ensure that FERC is properly and fairly conducting investigations and taking enforcement actions. I appreciate that FERC investigates matters that may bring instability or fraud to the energy marketplace. However, to do this fairly and effectively, it is important that FERC's policies on investigations and enforcement actions be transparent.

I therefore request that you examine these policies and respond to the following questions:

1. Is FERC fully complying with its statutory mandates to fairly investigate alleged market manipulation?
2. Has FERC put in place proper controls to promote timely, effective and efficient market oversight?
3. Does FERC have in place performance measures and controls to provide reasonable assurance that it fully complies with and meets its obligations under applicable statutes to investigate alleged market manipulation? Do these performance measures result in or encourage unnecessarily prolonged investigations?
4. Has FERC violated its requirements for confidentiality of non-public investigations?
5. Is FERC properly allocating its limited resources to investigation of cases that have the most deleterious effects on energy markets?
6. Does FERC have appropriate authority to investigate instances of alleged market manipulation that may not be expressly or impliedly prohibited at the time they occurred?
7. Has FERC pursued enforcement actions against entities that were not acting in violation of then-current applicable laws and regulations?

I appreciate your attention to this important matter. I look forward to continuing working with you.

Sincerely,



Robert P. Casey, Jr.
United States Senator