

2003

Teapot Dome Oil Scandal

Eric S. Yellin

University of Richmond, eyellin@richmond.edu

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Recommended Citation

Yellin, Eric. *Dictionary of American History*. Edited by Stanley I. Kutler. 3rd ed. Vol. 8. New York: Gale, 2003.

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Stratton, David H. *Tempest over Teapot Dome: The Story of Albert B. Fall*. Norman: University of Oklahoma Press, 1998.

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See also Scandals.

TEAPOT DOME OIL SCANDAL. In October 1929, Albert B. Fall, the former Secretary of the Interior under President Warren G. Harding, was convicted of accepting bribes in the leasing of U.S. Naval Oil Reserves in Elk Hills, California, and Teapot Dome, Wyoming. They were leased to private oil barons Edward L. Doheny and Harry F. Sinclair, respectively. Though the reserves had been set aside in 1912 for the Navy in case of war, responsibility for the reserves had been passed to the Department of the Interior at the outset of Harding's administration in 1921.

Responding to the concerns of conservationists and many in business, Montana Senator Thomas J. Walsh opened hearings in October 1923 to investigate the competitive bidding practices Fall used for the leases. Walsh's investigations eventually revealed that Doheny and Sinclair had together given Fall approximately \$404,000 (about \$4 million in 2000) either as loans or as investments in Fall's New Mexico cattle ranch while he was serving in the cabinet. All three men faced charges of bribery and conspiracy to defraud the U.S. government; the Supreme Court canceled the leases in 1927.

Sinclair was acquitted of conspiracy and bribery charges in 1928, and Doheny was acquitted in 1930. In a juridical paradox, the court ruled that regardless of Sinclair's and Doheny's intentions, Fall had, in fact, accepted the loans and investments as bribes and had been influenced by them. He was convicted in 1929 for accepting bribes and was imprisoned from 1931 to 1932. The political fallout of the scandal was enormous. Though Calvin Coolidge managed to hold on to the White House for the Republicans in 1924 by placing most of the blame on Fall and Harding (who died in office in 1923), the party faced charges of corruption through the 1950s. Moreover, Doheny's prominence and associations in the Democratic Party seemed to spread the corruption to all aspects of politics in the 1920s.

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