



Chevron Ecuador Lawsuit – Recent Developments

Chevron is defending itself against false allegations that it is responsible for environmental and social harms in the Amazon region of Ecuador.

Chevron has never produced oil in Ecuador, and its subsidiary, Texaco Petroleum, fully remediated its share of environmental impacts arising from oil operations prior to 1992. Meanwhile, Ecuador's state-owned oil company, Petroecuador, has been the sole owner of greatly expanded oil operations over the past two decades. Petroecuador has not remediated its majority share of pre-1992 impacts and has amassed a poor environmental record since that time.

Despite these facts, in early 2011 an Ecuadorian court rendered an adverse judgment against Chevron. Chevron maintains that the Ecuador judgment is illegitimate and unenforceable because it was procured by fraud and because the Ecuadorian judicial system failed to afford Chevron an impartial tribunal and due process. The plaintiffs' representatives have colluded with the court and its experts, fabricated evidence, falsified reports and forged signatures. *The Wall Street Journal* called the judgment a shakedown in Ecuador. Five U.S. federal courts have found evidence that the Ecuador trial has been compromised by the plaintiffs' lawyers fraud. Federal Magistrate Judge Dennis Howell said that, "... the court must believe that the concept of fraud is universal and that what has blatantly occurred in this matter would in fact be considered fraud by any court."

And the plaintiffs' representatives know their case is without merit. Their lead American lawyer, Steven Donziger, was caught on tape in the outtakes from the movie *Crude* conceding the reality of the situation: "Because at the end of the day this is all for the court just a bunch of smoke and mirrors and [expletive]. It really is." Recent legal decisions temporarily blocking enforcement bolster Chevron's position.

In February, an international arbitration panel issued interim measures ordering Ecuador to prevent enforcement of the Lago Agrio judgment, and in March, a New York federal court issued a preliminary injunction blocking enforcement of the Ecuadorian court's ruling. Why? Because the plaintiffs' representatives' misconduct is vivid and undeniable: "The only language that I believe this judge is going to understand is one of pressure, intimidation and humiliation."

Knowing that facts and science do not support their position, the plaintiffs' representatives have funded public pressure campaigns by groups such as Amazon Watch and the Rainforest Action Network. "This is Ecuador, okay. You can say whatever you want, and at the end of the day, there's a thousand people around the courthouse, you're going to get what you want." And despite knowledge of the plaintiffs' misconduct, these groups continue to pressure Chevron to settle the lawsuit. [Atossa Soltani]: "I just want you to know that it's illegal to conspire to break the law."

Meanwhile, through court-ordered discovery in the U.S., Chevron continues to obtain undeniable evidence of fraud. For instance, Chevron has copies of emails between the plaintiffs' lawyers in which they admit that their scheme could land them all in prison. The emails read: "... the problem, my friend, is that the effects are potentially devastating in Ecuador (apart from destroying the proceeding, all of us, your attorneys, might go to jail). ..."

As a result, the company is seeking a court order that the Ecuador judgment is unenforceable in the U.S. Chevron has also brought a Racketeer Influenced and Corrupt Organizations Act, or RICO, lawsuit against plaintiffs' representatives. Donziger was caught on tape revealing their real motivation: "The business of getting press coverage as part of a legal strategy. The business of plaintiffs' law. To make (expletive) money."

And now there is evidence that the plaintiffs' lawyers were complicit in drafting the Ecuador court's judgment against Chevron. Chevron is appealing the judgment in Ecuador and will fight any enforcement efforts. Chevron intends to hold accountable all those who have knowingly participated in this unlawful scheme to defraud Chevron and its stockholders.