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U.S. Law Firms Bill Chevron Exorbitant Fees To Prevent Clean-up of Ecuador Pollution Crisis

Oil Giant Concedes It Has Used Almost 500 Lawyers to Fight Rainforest Indigenous Groups



Amazon Defense Coalition

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New York, NY – While indigenous groups in Ecuador's Amazon face possible death and grave illness from Chevron's "Rainforest Chernobyl" disaster, several prominent U.S. law firms and their well-known partners are billing the oil giant hundreds of millions of dollars to forestall a clean-up that could save thousands of lives, [according to court documents \(assets/docs/20110831-exhibit-c.pdf\)](#).

Chevron's lead outside law firm in the U.S., Gibson Dunn & Crutcher, has 60 lawyers working extensively on the case, [a recent court filing revealed \(assets/docs/20110831-exhibit-c.pdf\)](#). The filing also showed that Chevron has paid almost 500 attorneys and paralegals from 39 different law firms since the celebrated case was filed in U.S. federal court in 1993.

The litigation was shifted to Ecuador at Chevron's request in 2002, with a subsequent eight-year trial resulting in an \$18 billion judgment against the oil giant for causing what experts believe could be the world's worst oil-related contamination. See [here \(news-and-multimedia/2012/0105-devastating-evidence-of-chevron-destruction-undergirds-18-billion-ecuador-appellate-decision.html\)](#), [here \(assets/docs/2012-01-evidence-summary.pdf\)](#) and [here \(assets/docs/2011-02-14-summary-of-judgment-Aguinda-v-ChevronTexaco.pdf\)](#).

The Ecuador litigation represents the first time that indigenous groups have successfully sued a large oil company for harm caused to their health and ancestral lands, said Karen Hinton, the U.S. spokesperson for the Ecuadorians. Evidence from independent health evaluations concluded that more than 9,000 rainforest dwellers face the risk of contracting cancer absent a rapid cleanup of the damage.

In all, Gibson Dunn was billing Chevron an estimated \$250 million per year in 2010 and 2011 as the company launched lawsuits against the plaintiffs in 16 different federal courts, helped to litigate an international arbitration action against Ecuador's government, filed a fraud case against the Ecuadorians and their lawyers in U.S. federal court, and supervised Chevron's battery of local lawyers in Ecuador as they faced multiple setbacks that culminated in the adverse judgment against Chevron, said Hinton.

"Chevron's environmental destruction in Ecuador is the best thing that ever happened to the bottom line of Gibson Dunn," said Hinton, who noted the firm reported a 20% increase in per-partner profits in 2010 during a downturn in the economy as dozens of its lawyers worked full-bore on the Ecuador matter.

"Clearly, Gibson Dunn and several other firms are profiting from rainforest destruction," Hinton added. "These lawyers have proven that fighting to deny the human rights of indigenous groups can be a very profitable business model."

Gibson Dunn clearly has sold Chevron on its willingness to engage in questionable tactics and push the ethical envelope, said Hinton. The firm boasts that it engages in "rescue operations (<http://www.gibsondunn.com/news/Documents/GibsonDunn-AmLawLitDeptOfTheYear2010.pdf>)" for clients in trouble and that if the law is in the way it is willing to maneuver around it to achieve client objectives. [Several judges have sanctioned Gibson Dunn \(http://www.huffingtonpost.com/paul-paz-y-mino/chevron-ecuador-oil_b_1180208.html\)](#) lawyers for trying to intimidate witnesses and for filing frivolous lawsuits on behalf of Chevron, and one well-known partner has been accused of trying to [mislead the Congress \(news-and-multimedia/2011/1205-chevron-us-chamber-and-prominent-law-firm-attempted-to-mislead-congress.html\)](#) about the case.

In November, a federal judge in Oregon fined Chevron after a team of Gibson Dunn lawyers had harassed the executive director of a respected environmental organization that had filed a brief in support of the Ecuadorians. In 2003, a court in Montana fined the firm a whopping \$20 million for harassing an art expert who refused to raise the appraisal value of a forged painting owned by a firm client. In that case, the Montana Supreme Court said Gibson Dunn used "legal thuggery" and acted with "actual malice" (<http://blogs.wsj.com/law/2007/03/13/gibson-dunn-used-legal-thuggery-say-montana-supremes/>). See [here](http://news-and-multimedia/2011/1207-federal-judge-sanctions-chevron-lawyers-for-harassing-witness.html) (news-and-multimedia/2011/1207-federal-judge-sanctions-chevron-lawyers-for-harassing-witness.html) for more information about the Oregon and Montana cases.

Gibson Dunn also uses cookie cutter lawsuits, Hinton said, where defenders of human rights victims and their supporters are always accused of "fraud" for trying to hold wrongdoers like Chevron accountable for their misconduct.

"The basic Gibson Dunn template is to attack victims to distract from the evidence," said Hinton. "When that doesn't work, the firm resorts to outright intimidation to silence any lawyer or advocate who stands up to the firm."

Gibson Dunn's approach also has created numerous problems for Chevron in Ecuador, the fifth-largest oil producing nation in South America. Chevron's legal team in Ecuador is said to be furious with the Gibson Dunn lawyers for losing the case because of their arrogant treatment of Ecuadorian judges, said Hinton.

Chevron lawyers in Ecuador working closely on the case with Gibson Dunn's "rescue" team have been sanctioned repeatedly for filing frivolous motions (once filing a motion eighteen times in 30 minutes), threatening the presiding judge with jail time if he didn't rule in Chevron's favor, and paying a Chevron contractor to secretly videotape a judge to try to entrap him in a trumped-up bribe scandal. The Ecuador court imposed a large punitive damages award on Chevron in large part for its abuse of the judicial process in Ecuador, according to the judgment.

In the meantime, the case has become a financial bonanza for several other large law firms who represent Chevron. The list of 39 law firms disclosed by the company in a U.S. court action also includes the prominent criminal defense firm of Arguedas, Cassman & Headley; Jones Day; King & Spalding; Akin, Gump, Strauss; Hauer & Feld; Holland & Knight; Jones Day; Steptoe & Johnson; and Williams & Connolly.

The all-star cast of attorneys who have worked on some aspect of the case for Chevron include **Theodore Olson** of Gibson Dunn, a former Solicitor General of the United States; **Brendan Sullivan** of Williams & Connolly, who reportedly represented a Chevron executive who faced potential criminal liability in Ecuador; **Greg Craig** of Skadden Arps, President Clinton's impeachment lawyer who Chevron reportedly hired to explore settlement; **Mickey Kantor** of Mayer Brown, the former U.S. Trade Representative under Clinton who spearheaded a Chevron effort to cut trade preferences for Ecuador; **David Boies**, whose firm helps the oil giant fight discovery actions in the U.S. designed to expose its corruption in Ecuador; and **Alan Vinegrad**, a former U.S. Attorney who represented a Chevron lawyer indicted on criminal charges of fraud for lying to Ecuador's government about the results of a sham remediation.

Chevron also has used [six public relations firms](http://news-and-multimedia/2009/1120-chevron-using-six-public-relations-firms-to-discredit-indigenous-groups-in-environmental-case.html) (news-and-multimedia/2009/1120-chevron-using-six-public-relations-firms-to-discredit-indigenous-groups-in-environmental-case.html) to push talking points denying the company caused any environmental damage in Ecuador, even though the judgment is undergirded by extensive scientific evidence and the allegations have been confirmed by numerous independent news accounts. See [here](http://www.cbsnews.com/stories/2009/05/01/60minutes/main4983549.shtml) (<http://www.cbsnews.com/stories/2009/05/01/60minutes/main4983549.shtml>) and [here](http://news-and-multimedia/2011/1009-the-amazons-toxic-mess.html) (news-and-multimedia/2011/1009-the-amazons-toxic-mess.html).

After an eight-year trial, the Ecuador trial court in 2011 found the oil giant systematically discharged billions of gallons of toxic waste into the rainforest, decimating indigenous groups and causing an array of oil-related health problems.

An Ecuador appellate court affirmed the judgment in early January, potentially opening up Chevron to standard collection actions against its assets in jurisdictions around the world unless it posts a bond in Ecuador. Chevron stripped its assets from Ecuador and has vowed never to pay for a cleanup, even though [reports](http://www.newyorker.com/online/blogs/newsdesk/2012/01/why-chevron-will-settle-in-ecuador.html) (<http://www.newyorker.com/online/blogs/newsdesk/2012/01/why-chevron-will-settle-in-ecuador.html>) indicate it contacted the plaintiffs recently in an attempt to explore settlement possibilities.

Ultimately, one must wonder how much Chevron shareholders are getting in return for these expensive legal services, she said.

In the last three years – since Gibson Dunn's "rescue" operation was launched – Chevron was hit with the \$18 billion judgment, the largest ever for an environmental case; the judgment was confirmed by a three-judge panel; multiple courts sanctioned the company for its unethical litigation tactics; and a U.S. appellate court in New York prevented Chevron from seeking a worldwide injunction to block enforcement of the judgment.

For more information, become a follower of [The Chevron Pit](http://thechevronpit.blogspot.com/) (<http://thechevronpit.blogspot.com/>) or follow [@ChevronPit](https://twitter.com/ChevronPit) ([http://twitter.com/#!/chevronpit](https://twitter.com/ChevronPit)) on Twitter.

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Tell Chevron to clean up its mess in the Amazon.

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