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In Pollution Case, Chevron Seeks \$32 Million From Plaintiffs' Lawyer Donziger

By [Paul M. Barrett](#) March 20, 2014

It can be expensive to go after a powerful oil company in court. Over two decades, plaintiffs' attorney Steven Donziger, a solo practitioner in New York, spent many millions of dollars to sue Chevron ([CVX](#)) for oil pollution in the rain forest in Ecuador. He raised money from other plaintiffs' attorneys, wealthy individuals, and hedge funds that bought shares in any potential recovery. So far, those bets on Donziger haven't paid off. Not a dime has changed hands, and no oil has been cleaned up as a result of the litigation. Chevron vows never to write Donziger or his clients a check. On the contrary, Chevron is now seeking an order from a federal judge in New York that would oblige Donziger to pay the oil company more than \$32 million to cover some of its legal expenses.

Representing poor farmers and indigenous tribe members, Donziger won a record-breaking \$19 billion judgment against Chevron in Ecuador in 2011. The Ecuadorian judiciary affirmed the trial ruling, although the damages were halved in 2013 to \$9.5 billion. Chevron, which has no assets to speak of in Ecuador, has refused to honor the judgment, saying that any remaining contamination is not its responsibility and that Donziger procured his trial victory by means of fraud, bribery, and coercion.

Chevron countersued Donziger in federal court in New York, accusing him of turning his lawsuit into a racketeering conspiracy. On March 4, U.S. District Judge Lewis Kaplan ruled in Chevron's favor. Kaplan found Donziger liable under the Racketeer Influenced Corrupt Organizations Act (RICO) and prohibited him and his clients from ever benefiting from the ill-gotten Ecuadorian judgment. Donziger has said he will appeal and is moving ahead with attempts to enforce the 2011 judgment in Canada, Argentina, and Brazil.

Meanwhile, on March 19, Chevron went back to Judge Kaplan, asking that he order Donziger to pay \$32.3 million in legal fees associated with the civil racketeering case. RICO allows a victorious plaintiff to seek reimbursement in this fashion. Chevron said in its motion that it was not attempting to cover all of its legal expenses and had trimmed its request to minimize disputes over how much it spent to prove that Donziger committed egregious misconduct in Ecuador and the U.S.

A lawyer representing Donziger responded defiantly to Chevron's "eye-popping" demand. "Steven is a solo environmental lawyer who works from the kitchen table of his apartment," Deepak Gupta, Donziger's appellate attorney, said via e-mail. "Chevron knows he can't actually pay those fees, and that's the point. This is a transparent attempt to intimidate anyone from ever having the temerity to sue over wrongdoing that, in this case, devastated thousands of people's lives, their culture, and their environment."

Chevron, in contrast, told Kaplan it would be just and equitable for the company to be reimbursed for legal expenses related to fending off what that judge has already determined was more akin to a mob shakedown than a brave campaign to vindicate the poor and oppressed.



[Barrett](#) is an assistant managing editor and senior writer at *Bloomberg Businessweek*. His new book, [Law of the Jungle](#), which tells the story of the Chevron oil pollution case in Ecuador, will be published by Crown in September 2014. His most recent book is [GLOCK: The Rise of America's Gun](#).

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