



Ministerio  
de Relaciones Exteriores  
y Movilidad Humana



**CHEVRON-TEXACO  
WANTS ECUADORIAN  
PEOPLE TO PAY**

**FOR THE POLLUTION  
THEY CAUSED**



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**CHEVRON-TEXACO  
PRETENDE QUE EL  
PUEBLO ECUATORIANO  
PAGUE LO QUE ELLOS  
CONTAMINARON**





**The harsh truth  
about the  
CHEVRON-TEXACO case**

**TEXACO:**  
**Guilty of immeasurable  
environmental damage in Ecuador**

Texaco operated in Ecuador from 1964 to 1992. During that period, Texaco was responsible for spilling **no less than 71 million liters of toxic oil wastes and 64 million liters of crude oil** on more than 2 million hectares of the Ecuadorian Amazon, according to a court in Ecuador after a nine year trial.

The water the people drink and in which they fish and bathe is highly contaminated. **The result is an unprecedented environmental disaster and the consequent immeasurable harm to the health of the residents of the area.**

The U.S. Company Chevron, which absorbed Texaco in 2001, is the second largest oil company in the United States and the seventh largest in the world.





## Texaco's guilt is a fact

Article 46 of the operating agreement signed by Texaco and the state oil company of Ecuador clearly stipulated that the transnational company had agreed to use technologies with safe systems for reinjection of toxic waste back to the underground. At that time, the company had patented a technology that significantly reduced the negative impacts of oil and gas operations and had already used it in the United States. But in Ecuador, Texaco never used it.

The multinational chose to use outdated techniques, which provided higher profits. The company even tried to convince the local people that oil contaminated waters would make them stronger and that this water was rich in vitamins and minerals. Texaco also failed to fulfill environmental remediation obligations: the company hid many toxic waste pits that resulted from extractive activities by covering them with topsoil and leaving them in the same polluted state. Today these pits are still polluting the soil and groundwater of the Ecuadorian Amazon.

## Chevron-Texaco: a judicial process of more than twenty years

**Texaco left the country in 1992.** In 1993, local people organized themselves and created the Front for the Defense of the Amazon to seek compensation for environmental damage and harm to individuals and communities caused by the American company. **It was the Amazon Defense Coalition, and not the Ecuadorian Government that sued the company.** A first lawsuit was filed in the U.S. in 1993. It was blocked for ten years by Texaco, which insisted on transferring the case to a court in Ecuador.

In 2002, the U.S. courts ended up approving the transfer and **Chevron-Texaco agreed to respect the decisions of the courts in Ecuador** in the case. The Amazon Defense Coalition then took legal action in Ecuador and, as a result, in 2011, an Ecuadorian court sentenced Chevron to pay 9.6 billion dollars and issue a public apology within the next two weeks, otherwise the amount would be doubled. Chevron refused to apologize, so in 2012, the sentence was ratified and the multinational was ordered to pay 19 billion dollars.

## Chevron spent millions of dollars on its campaign to discredit the Ecuadorian Government

The Ecuadorian Government never sued Chevron. However, the transnational sued the Ecuadorian Government in international courts of arbitration, with the intention of transferring its responsibility to the Ecuadorian Government in order to avoid its obligation to comply with the sentence.

Chevron spent millions of dollars each year on a media and political campaign against the Ecuadorian Government. At least eight lobbying firms have exerted direct political pressure for several years on members of Congress and the U.S. Department of Commerce to discredit Ecuador and affect its commercial interests in the United States, for example, pushing for tariff preferences granted to exporters in Ecuador not to be renewed.

Every day websites and social media provide biased information to undermine the judicial process that took place in Ecuador, and the legitimacy of public institutions in Ecuador.

It is therefore clearly a political smear campaign against the Ecuadorian Government to avoid a landmark decision that recognized the right of the affected Amazonian communities to receive compensation for the damage that was caused.



## Chevron sued Ecuador based on the retroactive application of a bilateral treaty... and a Court of Arbitration agreed!

Chevron sued the Ecuadorian Government before the Permanent Court of Arbitration in The Hague. Ecuador's defense argued, among many other things, that the Court of Arbitration lacked jurisdiction because the **Bilateral Investment Treaty between Ecuador and the United States was signed in 1993** and took effect in 1997 (that is, five years after Texaco's investments in the country ended).

However, despite the fact that the treaty was not retroactive, the court was deemed competent, and it ordered the Government of Ecuador to suspend the enforcement of the judgment, which according to the constitution the Ecuadorian government cannot do.

It should be further noted that the Bilateral Investment Treaty between Ecuador and the United States cannot be used to prevent citizens of a country from filing a lawsuit against an investor. There is no prohibition whatever in that Treaty that limits the rights of citizens in that regard.



## British Petroleum

Accident in the Gulf of Mexico, U.S. offshore, between April 20 and September 19, 2010.

152 days of spill (4 months and 30 days)

Crude oil spill of  
**780,000 m<sup>3</sup>**



After the oil spill in the Gulf of Mexico, the British company BP is answering to the American government and people in the following manner:

- U.S. \$ 37 billion in fines, penalties, remediation, compensation and arrangements.
- In addition to these costs, U.S. \$ 16 billion under the Clean Water Act. The trial is pending.
- BP faces 2,200 lawsuits for damages.
- Three years after the spill, the 100,000 people affected are being compensated by BP.
- BP has spent U.S. \$ 55,500 per barrel spilled in reparations.

## Chevron-Texaco

Damage in the provinces of Sucumbios and Orellana, Ecuador, between 1972 and 1992, while carrying out oil extraction activities.

Approximately 20 years of continuous damage

A toxic waste spill of  
**68,140,000 m<sup>3</sup>**



Unlike the Deepwater Horizon spill, the affected people are still seeking justice.

- In February 2011, after 19 years of litigation, Ecuadorian courts passed judgment against Chevron.
- Chevron must pay U.S. \$ 19 billion.
- The U.S. company has deliberately chosen not to comply with the legitimate and independent judgment of the competent court.
- Chevron uses its great economic power as the second largest U.S. oil company, to intimidate activists and advocates of the Amazon Front.
- It is spending millions of dollars a year for political lobbying and private investigations.
- Chevron has managed to have judges suspend the precautionary measures taken against the assets of its subsidiaries in other countries, hindering the course of justice.
- The remediation of the damage caused would cost Chevron U.S. \$ 32.25 per barrel of contaminated water spilled in the Amazon.

# Differences between the damages caused by oil companies in the U.S. and in Ecuador

# Chevron's false arguments... and the truth

Chevron says... "TexPet<sup>1</sup> ended its participation in the consortium in 1992, after fulfilling all environmental remediation obligations."

**And the truth is...** TexPet was obligated to fulfill its obligation to reinject toxic wastes underground in a safe manner using the best technologies. However, the treatment it gave to some of the wastes was to cover them and conceal them. **Today, the people are still finding ponds** that leak wastes directly into fresh water sources in the area. This is what today Chevron now calls "compliance with all environmental remediation obligations".

Chevron says... "The authorities of the Republic of Ecuador approved the remediation and released TexPet from all environmental responsibility, past and future."

**And the truth is...** TexPet was never freed "from all environmental responsibility, past and future". In 1998, the Government of Jamil Mahuad signed a Settlement Memorandum that released Texaco from any claims by the **Ecuadorian Government, but not those that individuals could present.** The Settlement Memorandum terminated the relationship between the Government and Texaco. It did not involve in any way the communities of the Amazon, nor was it a waiver on behalf of third parties. In fact, it is the Amazon Front, the organization of the affected communities in the Amazon that is suing Chevron, not the Government.

Chevron says... "Any environmental impact in the area of the ex-consortium pertains exclusively to PetroEcuador, which has continued to operate there for more than 20 years."

**And the truth is...** There are plenty of witnesses who can testify to past damage. There is also no shortage of wells that PetroEcuador never exploited, where the environmental damage for which Texaco is responsible can easily be seen. In fact, the environmental impact that was discussed and ruled on during the trial in Sucumbios was caused by Texaco.

Chevron says... "Pictures that have circulated recently on Argentine television are not current or former operations of Chevron Corporation, a company that has never operated in Ecuador."

**And the truth is...** Of course, at that time it was Texaco that acted in Ecuador. But **Chevron bought it when the damage caused was more than noticeable.** Now it refuses to take responsibility for it, although it owns the company that caused the disaster, which it bought with full knowledge that it was going to have to pay compensation to the affected people.

<sup>1</sup> Texaco Petroleum Company, owned by Chevron Corporation since 2001.



**Chevron dice...**... "Texaco Petroleum Company fue socio minoritario (37.5%) en una operación conjunta con CEPE (actual PetroEcuador) (62.5%)." .

**Y la verdad es que...** Esto no cambia la responsabilidad de Texaco. Dentro del consorcio, **Texaco era la única responsable de la explotación petrolera.** Asimismo, Texaco era la única responsable de remediar al medioambiente cuando terminó su inversión.

**Chevron dice...**... "La interferencia del Gobierno ecuatoriano en el juicio contra Chevron ha sido evidente" .

**Y la verdad es que...** Escuchar las preocupaciones de las y los ciudadanos es un deber de las autoridades, como lo ha hecho el Presidente Rafael Correa. Pero esto no implica ni pone a prueba alguna de injerencia en el aparato judicial. La denuncia de Chevron contra el Presidente Rafael Correa es difamatoria. De hecho, representantes de **los anteriores gobiernos mantuvieron once reuniones oficiales con representantes de Chevron.** En estas entrevistas estuvieron presentes nada menos que dos Presidentes, un Vicepresidente, el ministro de la Energía, y un ministro del Interior y el Procurador. **Pero entonces no se gana nunca de interferencia en el juicio!** La doble moral es obvia.

**Conclusión: Chevron-Texaco es culpable, ¡vengan a comprobarlo!**

- Chevron-Texaco es culpable de la contaminación de 2 millones de hectáreas de la Amazonía ecuatoriana, utilizando técnicas obsoletas para ahorrar costos y causando uno de los mayores desastres medioambientales de la historia. Pícsicmas nunca intervenidas por PetroEcuador desde la partida de Texaco prueban la culpabilidad de Texaco.
- Chevron-Texaco es culpable de buscar evadir la sentencia que se había comprometido a acatar: Chevron busca endosar la sentencia a la que se le condenó al Estado ecuatoriano cuando este no ha tenido nada que ver.
- Chevron-Texaco es culpable de presiones políticas en contra del Estado ecuatoriano: Chevron utiliza todo poder - influencia política, millones de dólares en cabildo, etc - para intentar afectar los intereses comerciales del Ecuador.

**¡Vengan a comprobarlo ustedes mismos!**  
Les invitamos a la Amazonía ecuatoriana a poner la mano en la balanza y descubrir si es verdad que Chevron pretende ocultar su responsabilidad.

**Chevron says...** "Texaco Petroleum Company was a minority partner (37.5%) in a joint venture with CEPE (now PetroEcuador) (62.5%)." .

**And the truth is...** This does not change the responsibility of Texaco. **In the consortium, Texaco had the sole responsibility for oil exploitation.** Texaco was also **solely responsible for remediating the environment** when it ended its investment.

**Chevron says...** "The Ecuadorian Government's interference in the trial against Chevron has been obvious."

**And the truth is...** Listening to the concerns of citizens, as President Rafael Correa has done, is a duty of the authorities. But this does not mean or imply any interference in the judiciary. Chevron's complaint against President Rafael Correa is defamatory. In fact, representatives of **previous governments held eleven official meetings with Chevron representatives.** At those meetings no less than two Presidents, a Vice President, two Ministers of Energy, an Interior Minister and an Attorney General were present. **However, "interference in the trial" was not mentioned at that time. The double standard is obvious.**

**Conclusion: Chevron-Texaco is guilty, come and see!**

• Chevron-Texaco is guilty of polluting 2 million hectares of the Ecuadorian Amazon using outdated technology to save costs and causing one of the largest environmental disasters in history. Pits never touched by PetroEcuador since the departure of Texaco prove Texaco's guilt.

• Chevron-Texaco is guilty of trying to avoid the judgment it promised to obey. Chevron is seeking to transfer the judgment to which it was sentenced to the Ecuadorian State, which had nothing to do with it.

• Chevron-Texaco is guilty of applying political pressure against the Government of Ecuador: Chevron is using all its power —political influence, millions of dollars in lobbying, etc.— to try to affect the commercial interests of Ecuador.

• Chevron-Texaco is guilty of using false arguments against the Government of Ecuador: the smear campaign against the Judicial and Executive Branches of Ecuador, paid for with millions of dollars, are an insult to the truth and the people of Ecuador.

• Chevron-Texaco is guilty of trying to make the Ecuadorian people pay for what Texaco polluted: Chevron has appealed to international arbitration using, retroactively, a bilateral investment treaty that did not include this possibility to try to transfer its responsibility to the Government of Ecuador.

**Come and see for yourself!**

We invite you to the Ecuadorian Amazon to put your hand in the pits abandoned by Texaco to show the world the truth that Chevron seeks to falsify.  
**Let's make sure this never happens again!**

