

## **Chevron-DeLeon Settlement In Ecuador Case Will Lead to More Funds for Environmental Clean-up, Villagers Say**

NEW YORK, NY, Feb. 16 /CSRwire/ - Chevron's settlement with London-based businessman Russell DeLeon over his support for indigenous rainforest villagers will lead to more funds for environmental clean-up and ultimately backfire against the oil giant, says a spokesperson for the communities affected by the company's pollution.

"While we wish Mr. DeLeon had been better able to withstand Chevron's pressure campaign, we are pleased with news of this settlement because it will allow a significant stake in the winning judgment of the affected villagers to be used for clean-up of their ancestral lands rather than be paid to an outside investor," said a statement issued on behalf of the villagers and their counsel, Steven R. Donziger.

The statement also asserted Mr. DeLeon has not funded the environmental case in two years and that his settlement "will have no material impact on the ongoing lawsuits to seize Chevron's assets around the world to force the company to comply with the Ecuador judgment.

"Unfortunately for Chevron, its expensive retaliation strategy against Mr. DeLeon and others has failed to end the litigation, has only increased the resolve of the affected villagers, and has not diminished the company's risk from collection actions targeting its assets to ensure compliance with the judgment," it added.

After an eight-year trial, an Ecuador court in 2011 found Chevron liable for deliberately dumping billions of gallons of toxic waste into the rainforest, decimating indigenous groups and causing an outbreak of cancer and other diseases. The case – litigated in Ecuador at Chevron's request -- was funded in large part by Mr. DeLeon, a successful businessman in the internet gaming space and a law school classmate of Donziger's.

Two layers of courts in Ecuador unanimously affirmed the trial court judgment, including the country's Supreme Court in a 5-0 ruling. Chevron still refused to pay the judgment and retaliated by suing numerous supporters of the villagers, including Mr. DeLeon but also lawyers, environmental groups, bloggers, and scientific consultants.

Mr. DeLeon fought Chevron's pressure campaign for years, but finally threw in the towel this week after it became clear he would face years of additional expensive litigation in Gibraltar's courts. Gibraltar is the headquarters of many of his various businesses.

In the meantime, enforcement actions filed by the villagers targeting billions of dollars of Chevron's assets are proceeding in Canada and Brazil. These actions seek to seize the oil giant's assets to force it to comply with the Ecuador court order that it pay for a remediation of the polluted lands of the affected indigenous communities.

Chevron also continues to face the likelihood of a devastating setback in the appeal of its controversial racketeering judgment in New York, now scheduled to be heard the week of March 30. The facts in that case prove the company corrupted its star witness with more than \$2 million in payments to testify falsely in the trial, according to multiple reports.

The villagers and their counsel continue to count on several prominent trial and appellate law firms to press their claims around the world, including Lenzner Slaght in Canada; Sergio Bermudes in Brazil; Gupta Beck and Professor Burt Neuborne of the New York University School of Law in the United States; and Bruchou, Fernandez, Madero & Lombardi in Argentina.

(A summary of the overwhelming evidence against Chevron relied on by the Ecuador court can be found [here](#). A video explaining Chevron's human rights violations in Ecuador can be seen [here](#). A recent article in Rolling Stone explaining Chevron's unethical litigation tactics can be read [here](#).)

The full statement in response to Mr. DeLeon's settlement from Karen Hinton, spokesperson for the affected Ecuatorian villagers and their lawyer Steven R. Donziger, is here:

While we wish Mr. DeLeon had been better able to withstand Chevron's pressure campaign, we are pleased with news of this settlement because it will allow a significant stake in the winning judgment of the affected villagers to be used for clean-up of their ancestral lands rather than be paid to an outside investor. By agreeing to settle with Chevron, Mr. DeLeon has given the rainforest villagers a valuable and much-appreciated gift -- the use of critical funds to litigate their claims over a period of several years at no cost. Mr. DeLeon's stake in the Ecuador judgment now will be made available to other investors or the affected communities themselves for use in their clean-up once a full recovery of the judgment is achieved. We also fully expect the ruling of Judge Kaplan cited in the settlement will be reversed on appeal. The Kaplan ruling is factually and legally flawed, was the product of one-sided proceedings in favor of Chevron, and relied heavily on the word of an admittedly corrupt former judge to whom Chevron paid exorbitant sums of money in exchange for false testimony.

Chevron's willingness to drop all of its claims against Mr. DeLeon for no financial consideration also reflects the company's increasingly weak position in the overall litigation and its desperate need for a public relations "hit" on the eve of the appeal of Judge Kaplan's decision. Given that Mr. DeLeon has not funded the Ecuador litigation for at least two years, the settlement will have no material impact on the ongoing lawsuits to seize Chevron's assets around the world to force the company to comply with the Ecuador judgment. Unfortunately for Chevron, its expensive retaliation strategy against Mr. DeLeon and others has failed to end the litigation, has only increased the resolve of the affected villagers, and has not diminished the company's risk from collection actions targeting its assets to ensure compliance with the judgment.

The larger context is that Mr. DeLeon's settlement is an obvious byproduct of Chevron's intimidation-by-litigation model that seeks to retaliate against any individual who helped the villagers in their successful campaign to hold the company accountable for its toxic dumping in Ecuador. The environmental judgment has been confirmed by three layers of courts in Chevron's chosen forum of Ecuador, including in a unanimous decision in 2013 by the country's Supreme Court. As part of its avowed "lifetime of litigation" strategy to evade paying the judgment, Chevron has sued numerous individuals, law firms, environmental organizations and consulting entities that have provided support to the affected villagers. Chevron abusively sued Mr. DeLeon in Gibraltar in 2013 on factual issues that already had been resolved by the courts of the company's chosen forum of Ecuador. This litigation was an effort to harass Mr. DeLeon into abandoning his support for the vulnerable villagers. After almost two years of expensive litigation in Gibraltar without as much as a trial, and likely facing years of further litigation, Chevron's strategy as regards Mr. DeLeon worked and he threw in the towel.

## Background

Here are some additional key facts relating to the DeLeon settlement:

**\*\*Mr. DeLeon has not funded the Ecuador case for at least two years. He made it clear in 2012 that little or no additional funding would be forthcoming because of the size of his investment in the matter and his need to diversify his own portfolio.**

**\*\*The Ecuatorian villagers currently enjoy a far more diversified base of financial support from law firms and individuals around the world than they did when Mr. DeLeon was actively involved. This includes**

support from some of the most prominent litigation and appellate firms in Canada, Brazil, Argentina, and the United States.

\*\*Prior to his settlement, Mr. DeLeon held the largest stake in the Ecuador judgment after that of the villagers themselves. As a result of his settlement, the entirety of Mr. DeLeon's investment will revert to the clients under the terms of Mr. DeLeon's investor agreement. After 22 years of litigation involving numerous law firms and investors, the affected villagers now own roughly 85% of their judgment. This incredible result is due largely to Chevron's pressure campaign against their own supporters.

\*\*Mr. DeLeon's statement that he was misled is false. Mr. DeLeon personally visited multiple locations in the affected area of Ecuador's rainforest and met local residents, members of the Ecuadorian legal team, health care workers, and community advocates. He personally observed numerous toxic waste pits that had been abandoned by Chevron that were polluting soils, streams, and groundwater. He was kept apprised at all times of material facts related to his investment. Mr. DeLeon also conducted his own extensive and independent due diligence of the litigation after Chevron raised its complaints of "fraud" and came away satisfied on multiple occasions such that he continued to invest. His statement to the contrary is itself misleading and was obviously made as a condition of his settlement with Chevron.

\*\*The DeLeon settlement is consistent with Chevron's avowed strategy to retaliate against those who provide meaningful support to the villagers who held the company accountable for its toxic dumping. This strategy has been seen most obviously in Chevron's highly questionable racketeering case against Mr. DeLeon's law school classmate, Steven Donziger. It also has been seen in harrassing lawsuits filed by Chevron against Stratus Consulting, Patton Boggs, Burford Capital, Woodsford Litigation Funding, human rights attorney Aaron Page, the environmental groups Amazon Watch and Rainforest Action Network, and dozens of others. All of these actions are SLAPP-style lawsuits designed to drive people away from the villagers and silence their criticism of Chevron.

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