Proceedings Reveal New Evidence of Fraud and Plaintiffs' Undisclosed Links to Ecuadorian Court Expert Richard Cabrera

Chevron Corporation

SAN RAMON, Calif., May 24, 2010 â?" Chevron Corp. (NYSE: CVX) has uncovered new evidence that Ecuadorian court appointee Richard Cabrera, the so-called "independent expert" claiming that Chevron should pay $27 billion in damages, has had ongoing and surreptitious contacts with plaintiffs' representatives and that a substantial portion of Cabrera's court-ordered analysis is based on materials that could only have been provided by the plaintiffs' representatives outside of the court proceeding. Additional new evidence shows that Cabrera allowed his supposedly independent assistants to work directly with the plaintiffs' lawyers. Chevron made a filing in Ecuador on Friday informing the court of this new evidence of misconduct.

"This direct evidence of fraud and ex parte contacts further demonstrates the illegitimacy of the fictitious $27-billion number the plaintiffs' lawyers have created for the purpose of extracting money from Chevron and its shareholders," Chevron vice president and general counsel Hewitt Pate said. "Despite years of denial by Mr. Cabrera and the plaintiffs' lawyers, one of their own consulting firms has now admitted in a U.S. court proceeding that they dealt directly with Mr. Cabrera. We also now know that Cabrera himself was previously employed by one of the plaintiffs' lawyers in another case prior to being appointed in Lago Agrio and that he never disclosed that fact to Chevron or the Lago Agrio court."

In his November 2008 damages report, Cabrera exclusively attributed pollution and associated impacts in Ecuador's Amazon to Texaco Petroleum Company while absolving state-owned Petroecuador. Cabrera was appointed in 2007 to serve as an officer of the court to perform an independent, impartial, and transparent investigation of the environmental effects of oil operations. He repeatedly asserted under oath that he was independent and had no relationship or links with plaintiffs' lawyers:

- In a June 13, 2007 sworn statement, Cabrera declared that "he is not under any legal impediment whatsoever and swears to perform his duties faithfully and in accordance with science, technology, and the law, with complete impartiality and independence vis-Ã -vis the parties."
- In a July 23, 2007 sworn statement, Cabrera declared, "I should clarify that I do not have any relation or agreements with the plaintiff, and it seems to me to be an insult against me that I should be linked with the attorneys of the plaintiffs."
- In an October 8, 2008 sworn statement, Cabrera stated, "I am an honest man with nothing to hide, and my conduct as an expert in this case has been as professional, impartial and objective as possible, as can be seen

from my expert report."

The evidence newly discovered by Chevron and admitted by plaintiffs' consultants in court filings, however, shows that Cabrera violated his legal duties and worked directly with the plaintiffs' lawyers and consultants:

- Documents filed in Colorado federal court last week reveal that consultants working for the plaintiffs' lawyers have had direct ex parte communications with Cabrera. Lawyers for Stratus Consulting, paid litigation consultants working for the American trial lawyers directing and funding the Lago Agrio case, retracted their prior denials and admitted that "there were communications between Cabrera and two Stratus representatives." Cabrera incorporated virtually verbatim portions of undisclosed "studies" furnished by Stratus employees and subcontractors in his damages assessment.
- In a separate proceeding in Texas federal court seeking related evidence from a Stratus subcontractor, 3TM Consulting, the judge presiding over the matter concluded last week that it was clear from the record that "plaintiffs provided some or all of 3TM's report to Cabrera" even though "it appears Cabrera denies this occurred." Such collaboration clearly violates the Lago Agrio court's order that Cabrera work independently and "be responsible for all information and conclusions contained in the expert report."
- Chevron recently has learned that at the time that he became a court appointee in the Lago Agrio litigation, Cabrera was already in the employ of the plaintiffs' original counsel, CristÃ³bal Bonifaz (Bonifaz was dismissed from the Lago Agrio case and was sanctioned for presenting separate, false cancer claims against Chevron in federal court in California) . Specifically, Cabrera served as a paid expert in litigation (*Arias v. DynCorp*) that Bonifaz and other lawyers brought in Washington, D.C. federal court on behalf of a group of Ecuadorian plaintiffs. The *DynCorp* plaintiffs assert that they were harmed by herbicide spraying in the same region of Ecuador at issue in the case against Chevron, and Cabrera's *DynCorp* report concludes that herbicide exposure is the primary cause of alleged harms in the region. In the Chevron case, however, Cabrera's report attributes many of those same harms exclusively to alleged petroleum exposure. Cabrera never disclosed his prior relationship with plaintiffs' counsel to the Lago Agrio court, nor did he disclose the existence of his *DynCorp* report which contradicts important parts of his supposedly independent report in the case against Chevron.
- The U.S. federal court proceedings in which Chevron seeks hidden evidence of corruption and misconduct captured by filmmaker Joe Berlinger have also centered on evidence of collusion in connection with the Cabrera's damages report. Parts of Berlinger's film *Crude* show plaintiffs' lawyers Steven Donziger and Pablo Fajardo working with Carlos Beristain, one of the supposedly neutral experts on Cabrera's team, at a focus group meeting related to Beristain's supposedly independent "health survey." Cabrera relies on Beristain's survey for his assessment of $9.5 billion in damages for "excess cancer" claims. While, at the direction of the plaintiffs' lawyers, Berlinger edited the DVD version of *Crude* to conceal Beristain's involvement

> with the lawyers, the unedited scene remains in a recently released internet version of the film. This documentation of collusion supported Chevron's successful argument to a federal court in New York that other *Crude* outtakes should be reviewed for further evidence of misconduct. In its recent order, the New York court ruled that the fact that this scene was cut from the final version of the DVD at the direction of plaintiffs' lawyers is "a fact suggestive of an awareness of questionable activity."

"It is clear from the evidence that Cabrera's claims of neutrality and independence in the Ecuadorian court are false," added Chevron's Pate. "The misconduct of the plaintiffs' lawyers and Cabrera constitutes a fraud against Chevron, against the Ecuadorian court system, and against the Government of Ecuador. Courts in the U.S. are beginning to expose this fraud, and authorities in Ecuador should want to do the same."

In its filing with the Lago Agrio court, Chevron is seeking the dismissal of Cabrera as a court appointee as well as the rejection of the entirety of his work. Chevron has also requested that the court initiate a full inquiry into the conduct of Cabrera and the plaintiffs' lawyers to determine the full extent of the collusion and fraud that has been perpetrated.

Chevron is one of the world's leading integrated energy companies, with subsidiaries that conduct business worldwide. The company's success is driven by the ingenuity and commitment of its employees and their application of the most innovative technologies in the world. Chevron is involved in virtually every facet of the energy industry. The company explores for, produces and transports crude oil and natural gas; refines, markets and distributes transportation fuels and other energy products; manufactures and sells petrochemical products; generates power and produces geothermal energy; provides energy efficiency solutions; and develops the energy resources of the future, including biofuels. Chevron is based in San Ramon, Calif. More information about Chevron is available at www.chevron.com [1].

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