Prosecutors Seek Payment from Shell, BASF

MARCO SIBAJA, Associated Press

BRASILIA, Brazil (AP) — Brazilian prosecutors said Wednesday that they asked a court to force oil company Shell and the world's largest chemical company, BASF, to immediately pay $500 million into a compensation fund for hundreds of workers who may have been contaminated at an agricultural chemicals plant.

The companies were earlier ordered to pay that amount by two courts. But the case revolving around a plant in the city of Paulinia, 75 miles (120 kilometers) northwest of Sao Paulo, was appealed and is now before a higher court in Brasilia.

"We have a set of technical reports that confirm that the soil is totally contaminated, the water is totally contaminated and that workers were massively exposed (to toxic chemicals)," said Rafael Almeida, a spokesman for prosecutors in neighboring Campinas.

He added: "We've got sick people who urgently need the payment now because they're dying. Delaying the payment further is simply wrong."

Almeida said prosecutors are now asking that Shell Brasil SA and BASF SA pay the $500 million into an account so that it can immediately be available once the higher court in Brasilia rules on the case.

In its 2011 annual report, BASF SE, the German partent of BASF SA, acknowledged that the site was "significantly contaminated by the production of crop protection products."

BASF claims the site was contaminated before it bought plant. The company filed a lawsuit in Brazil last year asking a court to hold Shell fully responsible for any damages. BASF said it and Royal Dutch Shell PLC are in ongoing settlement talks about any payments.

The chemical plant operated from 1977 until it was closed in 2002. Shell originally owned it, but sold the operation to American Cyanamid in 1995. Germany-based BASF bought American Cyanamid in 2000 and took over the chemicals plant at Paulinia.

Shell said in a statement that it had not been notified about the new action by prosecutors, but complained that the measure was taken before a final ruling on the lawsuit seeking damages. BASF's Brazilian unit said in an emailed statement that it also had not received official word from prosecutors or a court.

Almeida said former workers at the plant and people who live near it have shown many health problems, including prostate cancer, problems with short-term memory and issues with their thyroid gland.

At least 61 former workers at the plant have died in recent years. Others have seen various health issues arise in children born since they worked at the site.

The class action lawsuit against Shell and BASF includes 782 former workers.

Almeida said prosecutors want to include 360 other people — including the children of former workers who are ill and also people who worked at the plant site, but were not directly employed by either company.

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Associated Press writer Bradley Brooks in Sao Paulo contributed to this report.

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