Chevron Says NY Official Abused Power

MICHAEL VIRTANEN, Associated Press

ALBANY, N.Y. (AP) — Chevron Corp. asked New York's ethics commission Tuesday to investigate state Comptroller Thomas DiNapoli, claiming he improperly pushed the energy giant to settle an $18 billion Ecuadorean court claim for environmental damage in the Amazon rainforest.

San Ramon, Calif.-based Chevron said that DiNapoli is sole trustee of the $150 billion state fund, which owns more than $800 million in Chevron stock, and that the comptroller violated duty by backing shareholder resolutions to settle the lawsuit and appoint an environmental specialist to the corporation's board. The resolutions failed.

According to the complaint, DiNapoli received more than $60,000 in campaign contributions from supporters of the plaintiffs in the Ecuadorean lawsuit. Chevron also said DiNapoli's office received offers of trips to Ecuador, political benefits and access to celebrities — the musician Sting and his wife.

"The comptroller's continued advocacy has come despite repeated findings by U.S. federal courts that the Ecuador litigation is tainted by fraud," said Hewitt Pate, Chevron vice president and counsel. He said DiNapoli's actions serve only his political patrons, not New Yorkers or fund beneficiaries. The company said its liability was settled by remediation and an old agreement with Ecuador.

DiNapoli said Chevron distorted the facts and denied its responsibility, and predicted the Joint Commission on Public Ethics would see through it. Spokeswoman Jennifer Freeman said the campaign donor of most of the $60,000 later backed DiNapoli's opponent Harry Wilson. She noted that DiNapoli never met Sting.

"This is a baseless attempt by big oil to intimidate me and it won't work. The allegations are without merit," DiNapoli said. "Since 2004, the New York State Common Retirement Fund, along with dozens of leading investors worldwide, has called on Chevron to settle its nearly two-decade-long legal battle for polluting the Amazon. Chevron refuses. This effort is about protecting shareholder value and fulfilling my fiduciary responsibility."

Graham Erion, an attorney for Ecuadorean plaintiffs who live in the rainforest and farm communities, denied Chevron's fraud allegations and said they've filed counter fraud claims in federal court.

"It is the height of hypocrisy for Chevron to accuse anyone of ethics violations or improper influence," he said, because it is a major corporate contributor to political campaigns.

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