Chevron to Pay $1.8 Million in Settlement

SALT LAKE CITY (AP) — Chevron Corp. has paid Utah $1.8 million in a settlement reached after the state claimed the oil company collected money from a cleanup fund meant only for firms without insurance, state officials said Thursday.

Chevron misrepresented the fact that it had coverage when it applied for reimbursement from the fund established for the cleanup of leaky underground storage tanks, the Utah attorney general's office said.

The state said Chevron should have repaid the money it received along with paying penalties, fines, interest and attorney fees.

Chevron denied the allegations and said in the settlement it was legally entitled to money from the fund. Company spokesman Brent Tippen said Chevron was pleased to reach a mutually acceptable settlement.

"Chevron acted at all times in good faith and believes its dealings with the state's underground storage tank fund have been proper and without fault," Tippen said in a statement to The Associated Press. "It is advantageous for both sides, however, to bring this matter to a conclusion."

It was the first negotiated settlement reached between Utah and oil companies accused of misusing the fund.

The state sued ConocoPhillips and BP Amoco after those companies refused to negotiate a settlement, said Donna Kemp Spangler, spokeswoman for Utah's Division of Environmental Quality.

The state says BP Amoco helped itself for a dozen years to state assistance, collecting $1.5 million until 2007. The state claims ConocoPhillips filed $25 million in false claims over 14 years.

Montana is also pursuing a claim that BP collected money from a tank cleanup fund while receiving payouts from an insurance company.

BP says the lawsuits are without merit. ConocoPhillips has said it does not comment on legal issues.

Settlements are still possible with those two companies, but the two sides are not close at this time, said Therron Blatter of Utah's Division of Environmental Quality.

Utah's Petroleum Storage Tank Fund was created by the Legislature in 1989 to help small gas station owners who paid into the account get help when they had leaky storage tanks, Kemp Spangler said.

"We need to have that fund whole," Kemp Spangler said. "We need to make sure there is enough money to pay the people that are participating in it."

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