BP Agrees to Settle Suits Filed Over Tainted Gas

RICK CALLAHAN, Associated Press

INDIANAPOLIS (AP) — BP has agreed to a $7 million settlement to resolve lawsuits filed last year after the oil giant recalled about 4.7 million gallons of tainted gasoline in four Midwestern states.

Several law firms had sued BP Products North America Inc. on behalf of thousands of consumers who bought the incorrectly formulated gas in August 2012 in Indiana, Illinois, Ohio and Wisconsin. Some vehicles experienced hard starting, stalling and mechanical-component damage.

BP said Monday it has agreed to "compensate consumers with legitimate claims" up to a total of $5 million under a settlement agreement filed in June. The company also has agreed not to oppose a request for attorney fees of up to $2 million under the proposed settlement.

A federal judge in Chicago will hold a hearing later this month to consider giving preliminary approval to the settlement and granting it class-action status.

"The decision to settle this litigation is a reflection of BP's commitment to provide consistent, dependable, high-quality gasoline to its consumers, as demonstrated by its fuels guarantee, and to avoid protracted litigation," BP said in a statement.

To date, BP has resolved and paid more than 16,800 consumer claims totaling about $16 million involving the tainted gasoline that was processed at the company's Whiting refinery.

As part of the proposed agreement, BP said it "will publish notices in the media and on a settlement website" explaining which consumers are entitled to compensation under the settlement and how they can submit a claim.

Two Indianapolis law firms involved in the suit said the tainted gasoline was distributed to more than 575 retail outlets in Indiana, Illinois, Wisconsin, and Ohio. In a statement, the firms said BP had identified a "process upset" as the source of the misformulated gasoline and that "higher than normal levels of a hydrocarbon polymer passed through the refinery unit" in Whiting, tainting the gas.

Attorney Irwin Levin of Cohen & Malad, LLP, said in the statement that BP has agreed "to fully and fairly compensate consumers who bought their adulterated product."

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