Newsweek’s article contains important errors in fact and omits key points highly relevant to Chevron’s case in Ecuador.

Chevron has disclosed the case to shareholders in five consecutive proxy statements, discussed it at five annual stockholder meetings, developed a corporate website specific to the case (http://www.texaco.com/ecuador) and issued numerous news releases on the matter. The writer’s statement that this year’s court report “forced the company for the first time to disclose the issue to shareholders” is wrong.

Significantly, the article does not state that Petroecuador – the government owned oil company – has exclusively operated the oil fields in the Amazon for the last 18 years (readers may note that the photo accompanying this article is of a Petroecuador facility, as evidenced by the Petroecuador sign on the right side of the image). The company’s operations are publicly admitted to be mismanaged, with millions of gallons of oil spilled and no money for either upgrading its facilities or thorough remediation.

Nor did it state that in 15 years of litigation, the lawyers have never substantiated their clients’ health claims. Tellingly, in a related case brought in San Francisco by one of the lawyers behind the Ecuador case, the federal judge found that health claims had been fabricated and, in addition to dismissing the claims, fined the lawyers involved.

Fact is Texaco Petroleum, which Chevron acquired in 2001, performed a $40 million environmental remediation and public works program upon the conclusion of its role in Ecuador. The remediation work was certified and approved by the Republic of Ecuador and scientifically validated by Ecuadorian university laboratories.

The state has since sought to renege on its agreements with Texaco Petroleum and openly collaborated with the plaintiffs. The current administration has gone so far as to pledge the full support of the government in making the plaintiffs’ case.

In Ecuador, where the International Bar Association has concluded that “there is a serious politicization of the judiciary” and “that in many cases no effective independence exists,” such pronouncements have a profound effect on a trial.

The Republic of Ecuador’s failure to honor its contractual and legal obligations related to Texaco Petroleum’s past activities in Ecuador is contrary to the spirit and letter of the trade preferences granted to Ecuador under U.S. law.

Additional information on the lawsuit can be found at http://www.texaco.com/ecuador.