

# Chevron U.S. Has Unclean Hands

## Chevron U.S. Monitors, Controls and Directs Its Subsidiary in Nigeria

Chevron is “an international company that, through its subsidiaries and affiliates engages in fully integrated petroleum operations, chemical operations and coal mining in the United States and approximately 90 countries.”

— Chevron’s Annual Report (2000).

“Chevron Corp. exercises tight control over the Nigerian Subsidiary, [Chevron Nigeria Limited]... [which] acts primarily in the interest of Chevron Corporation rather than its own interests... The managers of the Nigerian subsidiary accept that they are to act on behalf of Chevron...”

— Harvard Business School Professor Louis Wells.



The Chevron barge where the atrocities occurred

## The Chevron Entities Located In California Closely Monitored, Controlled, and Directed Chevron Nigeria’s Activities

**Chevron U.S. Was Kept Abreast of Parabe Protest.** California-based Chevron had extensive communication with Chevron Nigeria prior to, during, and after the Parabe incident. In fact, on the first day that the protestors arrived on the Parabe platform, the volume of calls from the Chevron entities and personnel in the United States to Chevron Nigeria was greater than on any other day in the period from mid-November of 1997 to mid-January of 1998, but one. Prior to the attacks, the demands being made by the protestors were communicated to Chevron management in the United States.

**Chevron U.S. Facilitated and Approved Payments to the Security Forces.** Chevron’s corporate finance officials are required to review all payments made to Nigerian government security forces, no matter how small. Chevron regularly signed off on and approved the payments made to the Nigerian military and police.

Long after the incidents at Parabe, the monthly budget and other financial documents submitted by Chevron Nigeria to California-based Chevron included the amounts paid to the notorious Nigerian military for services rendered and funding for the provision of their food, lodging, facilities and/or equipment. California-based Chevron continued to condone, ratify and approve payments to the Nigerian military despite recognition that they are “out of control” and “notorious” for committing human rights abuses.

Chevron audited Chevron Nigeria's financial statements and had the power to eliminate line items of the budget and disapprove particular payments.

**Chevron Security Review After Parabe.** After the attacks on Parabe, the Corporate Security Group evaluated Chevron Nigeria's security procedures and policies.

## **In Fact, Chevron in California Closely Monitored Chevron Nigeria in Nearly All Respects**

*"Plaintiffs have submitted a substantial amount of evidence that the California-based defendants had an unusual degree of control over [Chevron Nigeria's] security department, and over [Chevron Nigeria's] operations generally.*

— Judge Kevin McCarthy, January 2008

**Nigerian Oil Money Flows to Chevron in the U.S.** Chevron is a "fully integrated" company and its Nigerian operations have helped account for much of record growth in profits and kept it "afloat" during times of low crude oil prices.

**Chevron U.S. Had Special Interest in Security Operations in Nigeria.** Chevron's Corporate Security Group determined the security policies for Chevron Nigeria and regularly reviewed Chevron Nigeria's implementation of the policies. Chevron's Corporate Security collects and monitors detailed information about the day-to-day security operations, "speaks" for CNL regarding security matters, and has the authority to control security-related expenditures, such as for the lease or purchase of equipment for use by the Nigerian military or police.

**Chevron U.S. Oversight of Nigerian Operations.** Chevron closely monitors the "daily business operations" of Chevron Nigeria to ensure "consistent compliance" with its policies and procedures. Chevron Nigeria is required to provide California-based Chevron with detailed daily reports on a variety of topics, including security-related incidents, drilling activities, and work or production related stoppages.

**Chevron U.S. Controls Nigerian Management.** Chevron has a veritable "revolving door" for high-level managerial positions so that employees from Chevron's United States facilities can run Chevron's operations in Nigeria and then return to run the operations in the United States. If Chevron employees refuse an overseas "rotational" assignment, they can be fired. The employees view themselves as ongoing employees of Chevron in the U.S., not of Chevron Nigeria. Chevron controlled the appointment of Chevron Nigeria managers and lower level positions and U.S. Chevron officials could veto decisions made by Chevron Nigeria. Chevron Nigeria's managing director reports to the President of the California-based Chevron, who then reports to the Vice Chairman of Chevron. California-based Chevron conducts an annual personnel evaluation of Chevron Nigeria's managers, but the record of human rights abuses committed is never analyzed as part of that review.