

TOP STORIES IN Business



1 of 10
Berkshire Reports Worst Year Ever



2 of 10
HSBC Considers Raising Capital

3 of 10
GE Joins Parade of Deep Dividend Cuts

So De

DECEMBER 1, 2008, 1:49 P.M. ET

Chevron Case Weighs Extent of Overseas Liability

Article

Comments (1)

MORE IN LAW »

Email Printer Friendly Share: Yahoo Buzz Text Size

By **RUSSELL GOLD**

A bloody protest by Nigerian villagers against **Chevron Corp.** in 1998 has led to a closely watched federal lawsuit that could have a far-reaching impact on how multinational companies conduct business overseas.

The jury in the civil trial, which has been under way in San Francisco for the past five weeks, began deliberating its verdict Tuesday. Its conclusion could strengthen an evolving legal frontier: Can multinational companies be hauled into U.S. courts and held accountable for alleged human-rights violations that occur on its properties overseas?



View Full Image Associated Press

Larry Bowoto, right, is one of several Nigerians suing Chevron in the U.S. over a 1998 incident at an oil facility off Nigeria's shore that resulted in two deaths.

The case centers on a 1998 protest involving about 100 Ilaje villagers from coastal Nigeria, who occupied an offshore oil facility owned by Chevron. After the villagers stayed for three days, Chevron called in the Nigerian military to remove them. The response was bloody: two protesters were shot and killed. Others were taken into custody and allegedly tortured, according to court filings.

The lawsuit, Bowoto v. Chevron, was brought by the protesters and their family, including Larry Bowoto, who was injured by

the military. It is drawing broad attention in corporate executive suites in part because it is a major test of the Alien Tort Claims Act against a major corporation. It is also the first time the courts have tested whether a corporation can be held responsible for the actions of local authorities it calls in for protection.

"This is the first corporate alien tort trial where you have a very common set of facts -- reliance on the government for security -- that is creating potential liability," says Jonathan C. Drimmer, a partner with the law firm Steptoe & Johnson. A jury verdict against Chevron, he says, "will make life a lot more difficult for companies operating abroad."

Lawyers and spokesmen from both parties either didn't return calls or declined to comment, citing an order by U.S. District Judge Susan Illston to prevent them from discussing the ongoing case. In previous statements, Chevron has said any claim that it "intended for the Nigerian law enforcement personnel to harm anyone is beyond far-fetched."

The Alien Tort Claims Act is a legal statute that dates to 1789, when Congress enacted the law to ensure the newborn nation would abide by international laws. It allows foreigners -- or aliens -- to bring suit in U.S. courts charging violations of international laws. The law sat largely unused until recent years, when lawyers began to use it as a tool to seek justice in U.S. courts for people who claim to be mistreated overseas.

Only once before the Chevron case has a U.S. jury faced an Alien Tort Claims case involving a corporation. In 2007, Drummond Co., an Alabama mining company, was alleged to have supported Colombian paramilitary groups that killed three union activists. The jury found there was insufficient evidence to hold the company responsible for the killings. Drummond, as previously reported, has denied any role in the deaths of the union leaders.

THE WALL STREET JOURNAL
EUROPE

HAS YOUR WORLD CHANGED?

Welcome to the new world of **europe.WSJ.com**

- IDEAL FOR ALL YOUR INFORMATION NEEDS
- MORE FEATURES
- MORE CONTENT
- DISCOVER NOW

CLICK HERE AND SUBSCRIBE TODAY!

Email Newsletters and Alerts

The latest news and analysis delivered to your in-box. Check the boxes below to sign up.

- Law Blog Newsletter
- News Alert
- In Today's Paper

SIGN UP

New! To sign up for Keyword or Symbol Alerts click [here](#).

To view or change all of your email settings, visit the [Email Setup Center](#).

Companies within this Article

Royal Dutch Shell PLC ADS Cl A/RNSA\	43.97	-0.82	2/27
--------------------------------------	-------	-------	------

The suit against Chevron raises a set of tough issues for oil companies with large capital investments overseas. In Nigeria and many other countries, multinational corporations aren't allowed to maintain their own security forces and must rely on the military for protection, says Sebastian Spio-Garbrah, an analyst with political-risk consultant Eurasia Group. U.S. companies, including Chevron, routinely pay the Nigerian military for its services, and house and feed troops, according to court filings.

Early next year, [Royal Dutch Shell PLC](#) faces a similar case in New York federal court stemming from the 1995 death of Ken Saro-Wiwa, an activist in oil-rich coastal Nigeria critical of the oil industry's environmental impacts. Shell has denied to an oil-industry publication that it was complicit and called the allegation "false and without merit."

"Corporations are watching to see if a U.S. jury is willing to award damages in a situation where a corporation is indirectly responsible," says Chimene Keitner, an associate law professor at the University of California Hastings College of the Law who has attended several days of testimony in the Chevron case.

Some of the details of what happened on the Chevron oil facility remain in dispute. According to court files, both sides agree that on May 25, 1998, about 100 unarmed protesters boated out to an offshore platform and an attached barge owned by Chevron and boarded it as a protest.

The villagers and their lawyers say it was a peaceful protest and that over the next three days, Chevron workers and the protesters "played games, shared meals, watched videos, fished [and] chatted together," according to a court filing. Chevron said the protesters threatened to burn the barge and the workers were being held hostage. On May 28, Chevron asked the Nigerian military to help end the protest and provided company-leased helicopters for the operation.

The villagers said the military shot at them without provocation, killing two protesters. Chevron said in court filings that the two villagers killed had metal pipes "raised above their heads in a threatening manner." After the military secured the offshore facility, villagers said 11 protesters were locked in a cargo container and beaten.

Write to Russell Gold at russell.gold@wsj.com

Printed in The Wall Street Journal, page A4

[MORE IN LAW](#)

Email Printer Friendly Order Reprints Share:

Sponsored Links

AARP Auto Insurance

Over 50? You Could Save Up To \$388 On AARP Auto Ins From The Hartford.
aarp.thehartford.com

QMI Shutters

Manufacturer of rolling shutters for security and hurricane protection
www.qmiusa.com

Nigerian Stock Market

We recommend You decide. Monitor your investments in Nigerian shares.
<http://www.giba-nigeria.com>

Add a Comment All comments will display your real name. [Go to Comments tab](#)

Related Articles and Blogs from WSJ.com

[Layoffs Deepen Pool of Applicants for Jobs Driving Big Rigs](#)
FEB 27, 2009

[Winning in Malaysia](#) JAN 21, 2009

[Brewers' Gloomy Outlook Darkens](#) JAN 15, 2009

[WSJ.com to Carry Obama's Address — and Discussion](#)
FEB 24, 2009

People Who Viewed This Also Viewed...

[On WSJ.com](#) [In My Network](#)

[Breaking News: Jury Finds for Chevron in Nigeria Human-Rights Case](#)

[Jury to Decide: Is Chevron Liable for Killings in Nigeria?](#)

[Chevron Cleared Over Nigeria Killings](#)

[Corrections & Amplifications](#)

[As Prices Slide, Oil Firms Save Cash](#)

Video

[205th Wealthiest American Charged with Fraud](#)
2:45

[Why Rohm and Haas Sued Dow Chemical](#)
2:42

[Repercussions of AIG Exec's 4-Year Sentence](#)
3:16

Job Listings

[Financial Advisor Opportunities with Wachovia Securities](#)

Voorhees, New Jersey
Wachovia Securities

[Financial Advisor](#)

Sharon, Pennsylvania
Wachovia Securities

[Financial Advisor](#)

Columbus, Ohio
Wachovia Securities

More in Law

[Huge Emerald Lands in Court](#)

Most Popular in Europe

[Read](#) [Emailed](#) [Video](#) [Commented](#)

- [Berkshire Reports Worst Year Ever](#)
- [Brutal February For Blue Chips](#)
- [HSBC Considers Raising Capital](#)
- [The Wallenberg Curse](#)
- [Skateboarding's Midnight Madness](#)

[Most Read Articles Feed](#)

Latest Headlines

[Doctors Fight Plan to Limit Beds in ER](#)

[More Headlines](#)

Editors' Picks



A Waning Affair With Barolo



Gamble on Vionnet Revival



All Roads Lead to Damascus



Huge Emerald Lands in Court



Rap Works the Late Shift

[BACK TO TOP](#)

WSJ.com Account:

[My Account](#)
[Setup Center](#)
[Subscriber Billing Info](#)

Create an Account:

[Register for Free](#)
[Subscribe Now](#)

Help & Information Center:

[Help](#)
[Customer Service](#)
[Contact Us](#)
[New on WSJ.com](#)
[Tour the new Journal](#)

About:

[News Licensing](#)
[Advertising](#)
[Conferences](#)
[About Dow Jones](#)
[Privacy Policy - Updated](#)
[Subscriber Agreement & Terms of Use - Updated](#)
[Copyright Policy](#)
[Jobs at WSJ.com](#)

WSJ.com:

[Site Map](#)
[Home](#)
[World](#)
[U.S.](#)
[Business](#)
[Markets](#)
[Market Data](#)
[Tech](#)
[Personal Finance](#)
[Life & Style](#)
[Opinion](#)
[Autos](#)
[Careers](#)
[Real Estate](#)
[Small Business](#)
[Corrections](#)

Tools & Formats

[Today's Paper](#)
[Video Center](#)
[Graphics](#)
[Columns](#)
[Blogs](#)
[Alerts](#)
[Newsletters](#)
[Mobile](#)
[Podcasts](#)
[RSS Feeds](#)
[Journal Community](#)
[Forums](#)
[My Online Journal](#)

Digital Network

[WSJ.com](#)
[Marketwatch.com](#)
[Barrons.com](#)
[SmartMoney.com](#)
[AllThingsD.com](#)
[FiLife.com](#)
[BigCharts.com](#)
[Virtual Stock Exchange](#)
[WSJ U.S. Edition](#)
[WSJ Asia Edition](#)
[WSJ Europe Edition](#)

Foreign Language Editions:
[WSJ Chinese](#)
[WSJ Portuguese](#)
[WSJ Spanish](#)