

## FACT SHEET

# CHEVRON: WAR, WARMING, TOXICS AND HUMAN RIGHTS<sup>1</sup>

### Direct Action to Stop the War

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“Iraq possesses huge reserves of oil and gas—reserves I’d love Chevron to have access to.” - Kenneth T. Derr, CEO of Chevron, 1998<sup>2</sup>

“I am saddened that it is politically inconvenient to acknowledge what everyone knows: the Iraq war is largely about oil.” – Alan Greenspan, former Federal Reserve Chairman, 2007<sup>3</sup>

"In the future, you are going to need every molecule of oil that you can get from every source..." -- Don Paul, Chevron, 2007<sup>4</sup>

“Of course it’s about oil, we can’t really deny that.” - General John Abizaid, retired head of U.S. Central Command and military operations in Iraq, on the Iraq War, 2007<sup>5</sup>

“Although the final decision for inviting foreign investment ultimately rests with a representative Iraqi government, I believe in due course the invitation will come.” -Peter J. Robertson, Chevron vice chairman, September 2003<sup>6</sup>

### Chevron Basics

- Star Oil Works founded in California in 1876, purchased by Standard Oil in 1906 and became Standard Oil of California. In 1984, purchased Gulf Oil and became Chevron. Merged with Texaco in 2001 and bought Unocal in 2005. World Corporate Headquarters: 6001 Bollinger Canyon Road, San Ramon, CA.
- Chevron is the 2<sup>nd</sup> largest American oil company, the 4<sup>th</sup> largest company in the United States and the 7<sup>th</sup> largest company in the world.<sup>7</sup> Chevron owns 7.8 billion barrels of oil reserves and produces oil across the globe.<sup>8</sup>
- Chevron’s 2007 profits = \$18.7 billion - almost \$2 billion more than 2006, and the highest ever in the company’s more than 130-year history.<sup>9</sup>
- David J. O’Reilly, Chairman and CEO, received \$8.8 million in total compensation in 2006, over the last 5 years he’s received almost \$40 million.<sup>10</sup>
- Secretary of State Condoleezza Rice served on Chevron’s Board of Directors from 1991-2001 and chaired its Public Policy Committee. A Chevron supertanker was named in her honor, the *SS Condoleezza Rice*.<sup>11</sup>

- George W. Bush is Chevron's number two all-time recipient of campaign contributions, after former Republican Congressman Richard Pombo.<sup>12</sup>

### **Chevron In Iraq**

Chevron has a long and highly profitable history with Iraq – one it wants to see significantly expanded. Chevron funded and worked aggressively to elect the Bush administration to office in 2000, the members of which had made their military ambitions for Iraq fully transparent well before taking office. Chevron has played a clear role working to ensure that the invasion of Iraq yields the greatest possible access to and control over Iraq's oil. It has supported the Bush administration's attempts to force the Iraqi government to pass a new national Iraq Oil Law which would transform Iraq's oil industry from a nationalized model – all but closed to U.S. oil companies – into a privatized model, with at least two-thirds of Iraq's oil open to foreign company control. Chevron has not hesitated to cash in on the war and has certainly not lobbied to end it.

Chevron began marketing Iraqi oil under contracts with the regime of Saddam Hussein and continues marketing Iraqi oil today.<sup>13</sup> Chevron recently paid \$30 million to settle charges that it had paid illegal kickbacks to the Hussein regime to win contracts during the 1990s sanctions period.<sup>14</sup> After a brief interlude during the 2003 invasion of Iraq, Chevron was one of the first companies to begin marketing Iraqi oil.<sup>15</sup> According to the U.S. Department of Energy, Chevron has been refining oil from Iraq at the Richmond refinery since the war began and continues to do so today.

In the lead-up to the 2003 invasion of Iraq, Chevron representatives took part in the Cheney Energy Task Force meetings that included the close investigation of Iraq's oil fields and oil productive capacity.<sup>16</sup> In the summer of 2003, Chevron was one of six oil companies to found a special project at the International Tax and Investment Centre resulting in the ITIC's report, "Petroleum in Iraq's Future." The report recommended all-but fully privatizing Iraq's oil industry and opening it to foreign oil companies, a model fully embraced in the Iraq Oil Law.<sup>17</sup>

In October 2003, Chevron Vice President Norm Szydlowski was assigned by the Bush administration to be a formal liaison on the ground in Iraq between the U.S. occupation government of Iraq and the Iraqi Oil Ministry.<sup>18</sup> Chevron continued to work its connections by sponsoring conferences, such as "Iraq Procurement 2004—Meet the Buyers," at which Iraqi ministers met with corporate executives in Amman, Jordan, to "further their business relations..."<sup>19</sup> Chevron has been flying Iraqi oil engineers to the United States free of charge for four-week training courses since early 2004.<sup>20</sup>

Most recently, Chevron has teamed-up with Total to bid on Iraq's fourth largest oil field, the Majnoon field.<sup>21</sup> Chevron hopes to produce oil in the field under the terms of the Iraq Oil Law. It has continued regular negotiations with Iraq's leading government officials in pursuit of the best contract deals possible, while the Bush administration pressures the Iraqis to pass the Iraq Oil Law.<sup>22</sup>

### **Chevron in Richmond**

Richmond, just 17 miles from San Francisco, has a population of about 100,000 people, the vast majority of whom are low-income people of color. 17,000 live within just 3 miles of the Chevron refinery, including in two public housing projects.<sup>23</sup> Built in 1902, the Chevron Richmond Refinery is one of the oldest and largest refineries operating in the U.S. To refine its capacity of 87.6 million barrels of crude oil per year – 240,000 barrels a day -- the refinery produces over two million pounds of climate-poisoning, smog-forming and toxic air and water polluting waste each year.<sup>24</sup>

The EPA reported almost 300 pollutant spills from the Richmond refinery from 2001 to 2003 alone.<sup>25</sup> These are highly toxic, often cancerous, chemicals spilling directly into residential communities. The EPA lists the refinery in “significant noncompliance” for air pollution standards and toxic flaring is a regular occurrence.<sup>26</sup> Deadly accidents are a far too common occurrence, including massive explosions and fires.<sup>27</sup> Richmond’s cancer and child-asthma rates exceed area, state and national averages.<sup>28</sup>

Rather than clean-up its Richmond refinery, Chevron is seeking to retool the refining so it can process heavier grades of crude oil that require more heat and pressure and result in more pollution. The “dirty crude” will increase dangerous emissions from the refinery by an estimated 800 tons a year, according to the project’s draft environmental report, while increasing gasoline production by at most a mere 6%.<sup>29</sup> It is most likely that the new dirtier crude will come from Chevron’s production in the Alberta tar sands.<sup>30</sup>

### **Chevron in Alberta**

Chevron is a leading producer in the Alberta tar sands. “Tar sand” is thick, black, tar-filled sand consisting of a mixture of 85% sand, clay, and silt; 5% water; and 10% crude bitumen. To get crude out of the tar, tar sand production generates almost 3 times more global warming pollution than does conventional oil production. This is because it takes 4 tons of earth, as many as 5 barrels of water, and enough natural gas to heat a home for 1-5 days to create just one barrel of oil from the tar sands. The crude itself is heavier in sulphur and other toxins that must be “broken off” and released into the air and water through the refining process.<sup>31</sup> In its 2006 Annual Report, Chevron announced that it would spend an additional \$2 billion to expand its tar sands production.

### **Chevron In Nigeria**

Chevron has operated in Nigeria since the 1960s and today extracts some half a million barrels of oil per day. Chevron has been charged with gross human rights abuses associated with its oil production activities. The case is based on two incidents: the shooting of peaceful protestors at Chevron's Parabe offshore platform and the destruction of two villages by soldiers in Chevron helicopters and boats. In the most recent ruling in the case in 2007, a U.S. District Court Judge found evidence that Chevron’s personnel “were directly involved in the attacks;” that Chevron transported and paid the Nigerian government’s security forces to these attacks, knowing that they were “prone to use excessive force,” concluding that the evidence would allow a jury to find not only that Chevron knew the attacks would happen and assisted in them, but also that Chevron actually agreed to the military’s plan. A jury trial is expected in 2008.<sup>32</sup>

### **Chevron In Ecuador**

Chevron has been charged in a \$6 billion lawsuit in which five indigenous groups and 80 Ecuadorian communities are demanding recompense for the destruction of their homes, health, environment, and livelihoods. The lawsuit argues that indigenous communities were removed from their land to make way for Texaco's oil facilities, as were more than one million hectares of ancient rainforest. Rather than install the standard environmental controls of the time, Texaco is charged with dumping 18.5 billion gallons of toxic waste directly into the rainforest – a spill roughly 30 times larger than the amount spilled in the Exxon Valdez disaster. The result is an exploding health crisis among the region's indigenous and farmer communities, including shockingly high incidences cancer. The case is currently at trial in Ecuador.<sup>33</sup>

### **Chevron In Burma**

Chevron is one of the largest foreign investors in Burma and is the only remaining major U.S. corporation with a significant presence there. In 2005, Chevron bought Unocal just weeks after the latter settled a lawsuit accusing it of assisting the Burmese military junta in the torture, murder and rape of villagers during construction of a pipeline.<sup>34</sup>

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<sup>1</sup> Fact sheet prepared by Antonia Juhasz, <http://www.TheBushAgenda.net>

<sup>2</sup> Kenneth T. Derr, "Engagement—A Better Alternative," speech to the Commonwealth Club of California, San Francisco, CA, November 5, 1998.

<sup>3</sup> Alan Greenspan, *The Age of Turbulence: Adventures in a New World*, Penguin Group, 2007.

<sup>4</sup> Cora Daniels, "Fast Talk: Chevron's Underground Researcher," *Fast Company*, October 2007.

<sup>5</sup> Gerry Shih & Susana Montes, "Roundtable Debates Energy Issues," *The Standard Daily*, October 15, 2007.

<sup>6</sup> Statement by Peter J. Robertson, vice chairman, ChevronTexaco, at the Middle East Petroleum and Gas Conference, Dubai, United Arab Emirates, September 8, 2003.

<sup>7</sup> Fortune 500 U.S. and global rankings for 2007, posted at <http://money.cnn.com/magazines/fortune/>

<sup>8</sup> Form 10-K, Chevron Corp – CVX, Filed: February 28, 2007 (period: December 31, 2006).

<sup>9</sup> <http://www.forbes.com/lists/2006/12/XASH.html>

<sup>10</sup> <http://www.chevron.com/news/press/release/?id=2008-02-01>

<sup>11</sup> Antonia Felix, *Condi: The Condoleezza Rice Story*, New Market Publishers, 2005.

<sup>12</sup> Center for Public Integrity, <http://www.opensecrets.org>

<sup>13</sup> Antonia Juhasz, *The Bush Agenda: Invading the World, One Economy at a Time* HarperCollins Publishers, 2006.

<sup>14</sup> "Chevron Pays Fine in Oil-For-Food Case," *Associated Press*, November 14, 2007.

<sup>15</sup> Antonia Juhasz, *The Bush Agenda: Invading the World, One Economy at a Time* HarperCollins Publishers, 2006.

<sup>16</sup> Chevron was represented in task force meetings by the American Petroleum Institute, The Energy Council, and other membership organizations to which it belongs, <http://www.washingtonpost.com/wp->

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[srv/politics/documents/chenev\\_energy\\_task\\_force.html](http://www.chevron.com/srv/politics/documents/chenev_energy_task_force.html). Chevron submitted material directly to the task force: Dana Milbank and Justin Blum, "Document Says Oil Chiefs Met with Cheney Task Force," *Washington Post*, November 16, 2005.

<sup>17</sup> Steven Hiatt, Editor, *A Game as Old as Empire: The Secret World of Economic Hit Men and the Web of Global Corporation*, Berrett-Koehler Publishers, 2007.

<sup>18</sup> Erik Leaver and Greg Muttitt, *Slick Connections: U.S. Influence on Iraqi Oil*, *Foreign Policy in Focus*, July 18, 2007.

<sup>19</sup> Antonia Juhasz, *The Bush Agenda: Invading the World, One Economy at a Time* HarperCollins Publishers, 2006.

<sup>20</sup> David Baker, "Seeking Iraq's Oil Prize," *San Francisco Chronicle*, January 26, 2005.

<sup>21</sup> Ben Lando, "Big Oil to Sign Iraq Deal Soon," *United Press International*, December 6, 2007.

<sup>22</sup> Among numerous other sites, "Iraqi Cabinet Gives Green Light to Oil Ministry to Sign Oil Deals," *The Associated Press*, March 5, 2008.

<sup>23</sup> Chevron USA Inc, Richmond, CA, Refinery Locator, Refinery Reform Campaign, [http://www.refineryreform.org/refinery\\_details.asp?rf=PET.CA0030](http://www.refineryreform.org/refinery_details.asp?rf=PET.CA0030)

<sup>24</sup> *ibid.*

<sup>25</sup> U.S. Environmental Protection Agency, "Sector Facility Indexing Project: Facility Level Statistics," Chevron USA Inc., Richmond Refinery, April 2004 "refresh," <http://www.epa.gov/cgi-bin/aggregateReport.cgi?ocid=PET.CA0030&tool=SF>

<sup>26</sup> *ibid.*

<sup>27</sup> Numerous sources, including Scott Sherman, "Environmental Justice Case Study: West County Toxics Coalition and the Chevron Refinery," University of Michigan, 1996 at <http://www.umich.edu/~snre492/sherman.html>

<sup>28</sup> Numerous sources, including Contra Costa Health Services "A Framework for Contra Costa County," [http://www.cchealth.org/groups/chronic\\_disease/framework.php#profile](http://www.cchealth.org/groups/chronic_disease/framework.php#profile)

<sup>29</sup> Chip Johnson, "Chevron looks to profits, Richmond looks to health," *San Francisco Chronicle*, June 8, 2007.

<sup>30</sup> In its 2006 annual report, Chevron announced a \$2 billion increase in its already sizeable investments in the Alberta tar sands. Presently, Chevron does not refine any Alberta tar sand oil in the United States. The timing of both the Richmond upgrade and the increased tar sands investment leads to an assumption that Chevron views Richmond as a likely future refiner of this dirtier crude.

<sup>31</sup> All of the above, Ann Bordetsky, et. al., "Driving It Home: Choosing the Right Path for Fueling North America's Transportation Future," a joint report by Natural Resources Defense Council, Western Resource Advocates, & Pembina Institute, 2007.

<sup>32</sup> All of the above, Rick Herz & Marco Simons, "Bowoto v. ChevronTexaco Case History," EarthRights International, October 22, 2007.

<sup>33</sup> Antonia Juhasz, *The Bush Agenda: Invading the World, One Economy at a Time* HarperCollins Publishers, 2006.

<sup>34</sup> Amy Goodman and Juan Gonzalez, "Oil Giant Chevron Urged to Cut Ties with Burmese Military Junta," *Democracy Now!*, October 12, 2007.