

# Tennessee may seek up to \$250M in Chevron lawsuit

Anita Wadhvani - January 19, 2016

<http://www.tennessean.com/story/news/2016/01/19/tennessee-may-seek-up-250m-chevron-lawsuit/79024384/>

The Tennessee attorney general may ultimately seek up to a quarter of a billion dollars in damages against Chevron Corp. and its subsidiaries should the state prevail in a lawsuit that claims the oil companies fraudulently siphoned millions from a state environmental cleanup fund, a lawyer for the state said Tuesday.

A trial is months or even years away, but lawyers for the state and for Chevron squared off in a pretrial hearing Tuesday in Davidson County Circuit Court in an acrimonious dispute over discovery, the phase in a lawsuit in which parties are required to turn over requested documents.

The state has been "thwarted at every step," Olha Rybakoff, senior counsel for the attorney general, said of the case thus far. "It's been a troubling and astonishing approach to litigation ... it's been like extracting teeth out of a rhino."

Lawyers representing Chevron, in turn, told Judge Joe Binkley that state lawyers were unnecessarily delaying the case, in part because their requests for documents are "extraordinarily broad" and, in some cases, require retrieving records that are 40 years old.

"We are fully prepared to go toe to toe with the state on who is trying to move this case forward and who is not," said David Bridgers, an attorney representing Chevron with the Nashville firm Waller.

The lawsuit filed in September accuses Chevron and its subsidiaries, including Texaco, of a 30-year "prolonged and costly scheme" to fraudulently siphon \$18 million from an environmental fund intended to cover the costs of cleanups of oil leaks from underground storage tanks at more than 100 gas stations across the state. The fund is paid for by a four-tenths of a penny per gallon gas tax all drivers pay at the pump.

The fund reimburses tank owners for expenses during spill cleanups, but is intended as a last-resort fund for owners who cannot afford the costs.

The attorney general says Chevron and its subsidiaries claimed reimbursements for cleanups that their insurance companies also had paid for.

The oil companies have denied those claims and said that their insurance

companies often paid "pennies on the dollar" on the actual costs of cleanup.

Attorneys for Chevron Corp. also have argued that the global petroleum company should be removed from the lawsuit because the company was not directly involved when its subsidiaries sought reimbursements from Tennessee's underground storage tank fund.

The state is seeking any documents from oil companies that might show Chevron Corp.'s involvement in Tennessee.