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August 8, 2016

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In WLF Victory, Second Circuit Affirms Racketeering Verdict Against Activist Plaintiffs' Attorney

(Chevron Corp. v. Donziger)

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WASHINGTON, DC—In a major victory for Washington Legal Foundation, the U.S. Court of Appeals for the Second Circuit today affirmed a district court judgment holding attorney Steven Donziger and several associates liable under the federal anti-racketeering law (the Racketeer Influenced and Corrupt Organizations Act) for the corrupt way they pressed tort claims against Chevron Corp. in an Ecuadoran court. The appeals court upheld findings in *Chevron Corp. v. Donziger* that Donziger engaged in a massive fraud in the courts of Ecuador, including ghostwriting the trial court’s decision and bribing the judge to issue it as his own, in order to obtain a multi-billion-dollar judgment against Chevron Corporation.

Donziger represented a group of Ecuadoran citizens who sought to hold Chevron responsible for pollution of an Ecuadoran rainforest the plaintiffs alleged an oil company (Texaco) later purchased by Chevron had caused. In a brief filed in the Second Circuit, WLF argued that strong evidence supported the district court’s judgment that Donziger engaged in extortion, wire fraud, money laundering, obstruction of justice, witness tampering, and bribery of foreign officials.

Today, the appeals court agreed with WLF that RICO authorizes federal courts to issue injunctive relief to plaintiffs victimized by racketeering activity. The appeals court upheld the trial court’s injunction, which prohibits Donziger from seeking to enforce the Ecuadoran judgment in a U.S. court—and bars him from ever profiting from that judgment by requiring him to indemnify Chevron should the Ecuador judgment ever be enforced by a foreign court.

Upon hearing the appeals court’s decision, WLF issued the following statement by Chief Counsel Richard Samp: “The appeals court correctly recognized that the illegal conduct of the plaintiffs’ attorney and the environmental activists with whom he conspired in this matter cannot be excused by pointing to their alleged commitment to a cleaner environment. The continued integrity of our legal system demands severely punishing those who are unwilling to abide by the rule of law. Mr. Donziger has somehow managed to avoid criminal prosecution thus far, but he should not be permitted to evade civil liability too.”

WLF is a public-interest law firm and policy center that regularly advocates for upholding legal ethics and defends the rule of law against plaintiffs’ lawyer deceptions.

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