

Shell Agrees To Settle Abuse Case For Millions

Royal Dutch Shell, the big oil company, agreed to pay \$15.5 million to settle a case accusing it of taking part in human rights abuses in the Niger Delta in the early 1990s, a striking sum given that the company has denied any wrongdoing.

The settlement, announced late Monday, came days before the start of a trial in New York that was expected to reveal extensive details of Shell's activities in the Niger Delta.

The announcement caps a protracted legal battle that began shortly after the death of the Nigerian activist Ken Saro-Wiwa in 1995. Mr. Saro-Wiwa, Shell's most prominent critic at the time in Nigeria, was hanged by that country's military regime after protesting the company's environmental practices in the oil-rich delta, especially in his native Ogoni region.

Shell continued Monday to deny any role in the death. It called the settlement a "humanitarian gesture" meant to compensate the plaintiffs, including Mr. Saro-Wiwa's family, for their loss and to cover a portion of their legal fees and costs. Some of the money will go into an educational and social trust fund intended to benefit the Ogoni people.

In a statement, the company said the agreement "will provide funding for the trust and a compassionate payment to the plaintiffs and the estates they represent in recognition of the tragic turn of events in Ogoni land, even though Shell had no part in the violence that took place."

"Shell has always maintained the allegations were false," Malcolm Brinded, the company's executive director for exploration

and production, said in the statement.

Shell said that the trust being set up is in addition to the contribution to community development made by Shell-run companies in the Niger Delta. According to Shell, these payments totaled more than \$240 million in 2008.

By JAD MOUAWAD

Ten plaintiffs, including the son
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of Mr. Saro-Wiwa and his brother, accused Shell of seeking the aid of the former Nigerian regime to silence the critic, as well as paying soldiers who had carried out human rights abuses in the impoverished region where it operated.

Mr. Saro-Wiwa, who founded the Movement for the Survival of the Ogoni Peoples in 1990, was one of Shell's most forceful critics because of the damage done to the delta communities, including gas flaring and the destruction of mangroves to make way for pipelines.

The Niger Delta continues to be marred by violence and ethnic strife. Much of Shell's production in the delta is still the target of militants seeking a larger share of the country's oil wealth.

The prominent case involving Shell was the latest to challenge the behavior of some of the world's biggest oil companies in developing countries. Companies are increasingly being called to account for their environmental record as well as any collusion with repressive governments.

The suit was brought under the Alien Tort Claims Act, an arcane United States law that has been increasingly used for lawsuits asserting human rights violations occurring overseas. The Supreme Court ruled 6 to 3 in 2004 that foreigners could bring cases before American courts in some limited circumstances, like crimes against humanity or torture, and the courts have decided that a wide variety of defendants, including multinational corporations, can be called to account. Royal Dutch Shell is headquartered in the Netherlands.

So far, no corporation has been found guilty under the alien tort law. Last year, a jury cleared Chevron of wrongdoing after it was accused of complicity in the shooting of Nigerian villagers who occupied an offshore oil barge in 1998 to protest its environmental record and hiring practices.

In 2004, Unocal, a California oil company that was accused of using slave labor in the construction of a pipeline in Burma during the 1990s, agreed to compensate villagers there. The terms of that settlement were not made public.

For the Nigerian plaintiffs and their lawyers, Shell's settlement, including publication of the sum involved, is a significant victory. Companies commonly demand that details of such settlements be kept secret, for fear of setting precedents.

"It has been a really long struggle," said Jennie Greene, a lawyer with the Center for Constitutional Rights, which brought the case on behalf of the plaintiffs. "But this shows that corporations cannot act without accountability."

Ken Saro-Wiwa Jr., the son of the slain rights advocate, was also satisfied with the outcome.

"We hope this sends a signal," he said in a telephone interview from London. "It's a relief also that we've been able to draw a line over the past. And from a legal perspective, this historic case means that corporations will have to be much more careful."

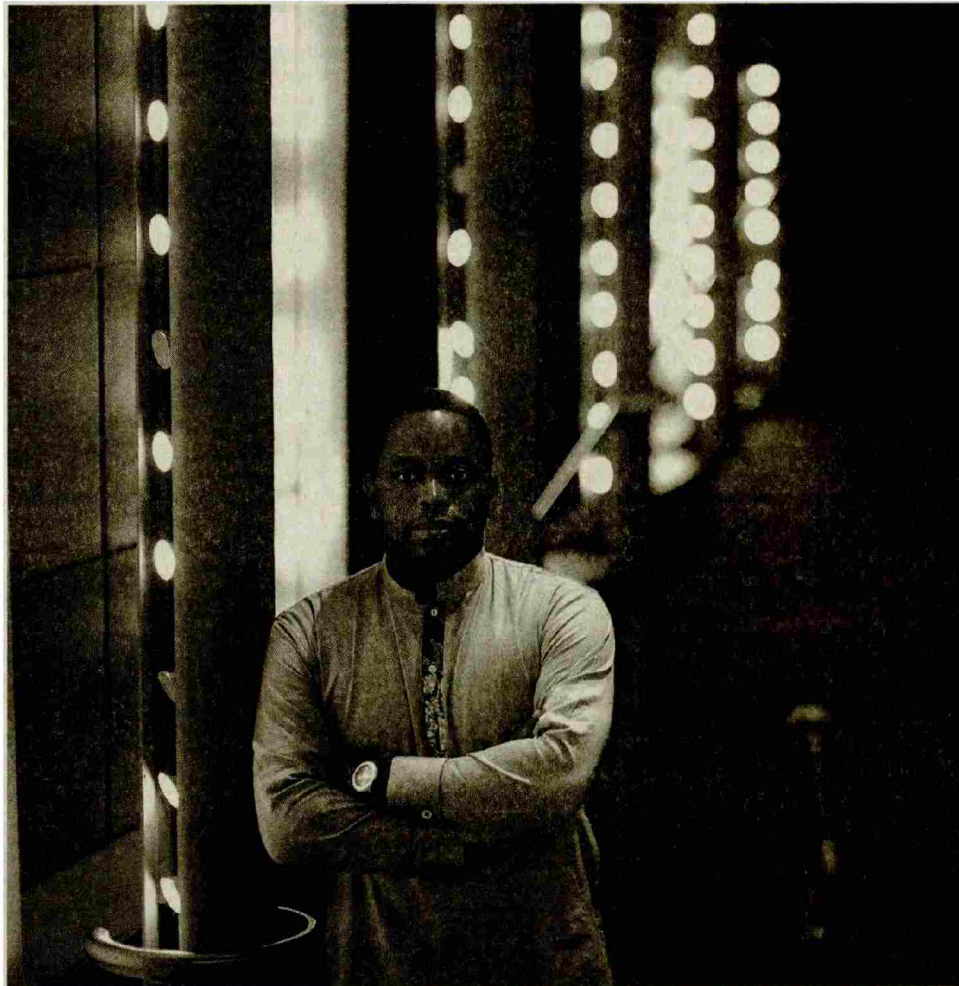
A 'humanitarian gesture' from an oil giant years after a violent death.





REUTERS

The Shell critic Ken Saro-Wiwa was hanged in 1995.



JENNIFER S. ALTMAN FOR THE NEW YORK TIMES

Ken Saro-Wiwa Jr. sued Royal Dutch Shell, saying it had culpability in his father's death.