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Oil company accused of dumping waste in Amazon

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A US oil company has been accused of contaminating an area of the Peruvian Amazon where it and its successor company have drilled for oil for the past 32 years, creating misery for the local Achuar people and widespread lead and cadmium poisoning.

A report issued by a coalition of protest groups including Amazon Watch and EarthRights International yesterday accused the company, Occidental Petroleum, of violating Peruvian and international law by dumping an estimated 9 billion barrels of toxic waste in the area since it started prospecting in the early 1970s.

The "produced waters", as the waste is technically known, were allegedly dumped directly into rivers and streams used by the Achuar for drinking, bathing, washing and fishing. Medical research documented in the report showed dangerously elevated levels of lead and cadmium in the Achuar population.

"Oxy's activities fell far short of the accepted industry standards throughout the course of their operations, as the company discharged massive quantities of contaminated waters into local streams, stored wastes improperly, and caused periodic oil spills," the report alleges.

Occidental turned over the oilfield in the Corrientes river basin to the Argentinian oil company Pluspetrol in 2000, and has since divested itself of all its Peruvian petroleum interests, but the report said the pattern of spillage and poisoning continued unabated.

"Oxy's destructive patterns, and the resulting human rights and environmental harms, have continued on Pluspetrol's watch," the report alleges.

Occidental did not return a phone call seeking comment. The company is holding its annual general meeting in Los Angeles today, when the groups behind the report plan to hold protests.

This is not the first time a western oil company has been accused of human rights and environmental violations in the Third World. EarthRights International previously brought a lawsuit against Unocal for alleged abuses in Burma, and won a court settlement on behalf of the indigenous peoples in US federal court in 2005.

Amazon Watch, meanwhile, has thrown its support behind a lawsuit in Ecuador pitting indigenous peoples against Texaco (now part of Chevron), which stands accused of failing to safeguard the disposal of waste materials, poisoning the groundwater and causing debilitating skin conditions, respiratory illnesses and cancers in the local population. The company has contested the action. An Ecuadorian court is expected to rule imminently in that case.

The Achuar tribe straddles the Ecuadorian and Peruvian borders, and has ample experience of fighting western oil companies. A year ago, the Ecuadorian government seized indigenous lands where Occidental was drilling for oil - a move that Occidental is still fighting to have overturned.

"My people have suffered for 35 years from Oxy's presence," Andrés Sandi Mucushua, the president of the Federation of Native Communities of the Corrientes river, said. "Oxy has extracted petroleum from our ancestral territory, contaminating and destroying it. We have seen our rivers, farms and animals sicken and we have become ill and died from the contamination. It is important that Oxy shareholders are told what Oxy has done in the Peruvian Amazon."

Occidental first signed a contract with the Peruvian government to drill for oil in the Amazon in 1971. Large-scale production began four years later in an area designated as Block 1AB. It became Peru's largest onshore oil field, producing as much as 42 per cent of Peru's total oil output, about 115,000 barrels of crude per day.

The report's authors said that blatant disregard for the well-being of the local population was a common feature of oil company activity in many indigenous areas around the world. The executive director of Amazon Watch, Atossa Soltani, said that companies were on notice that if they didn't take steps to clean up their mess they ran a risk of being taken to court.

Occidental's decision to get rid of its remaining drilling rights in Peru was widely interpreted as a response to the accusations of environmental and human rights violations. Occidental itself, meanwhile, characterised the move as a business decision.

"Oxy needs to move decisively and rectify its past mistakes by helping to clean up the toxic mess and assist the Achuar with their health problems," Mr Soltani said. "Otherwise Oxy will face further negative publicity and potential legal actions."