

Source [www.laborrights.org](http://www.laborrights.org)

## BURMESE WORKERS SUING UNOCAL IN LOS ANGELES WILL HAVE THEIR DAY IN COURT

Claims that Unocal Knowingly  
Benefited from Rights Abuses  
to be Heard in Superior Court

Thursday, August 30, 2001

California Superior Court Judge Victoria Chaney released an opinion today in Los Angeles that Burmese villagers who have filed suit against Unocal Corporation, the Los-Angeles-based oil and natural gas drilling company, will have their day in court. "This is a major victory. Despite Unocal's best efforts, the Burmese villagers who suffered unspeakable violence at the hands of Unocal's security force in Burma, will get to tell their stories. We look forward to having a Los Angeles jury decide who is telling the truth about human rights violations on Unocal's pipeline project in Burma," said Terry Collingsworth, general counsel of the Washington-DC based International Labor Rights Fund, lead plaintiffs' counsel in the case.

In March 2000, Federal District Court Judge Ronald S.W. Lew ruled that the Burmese villagers' case should be heard in a California state court. Judge Lew dismissed their claims under the Federal Alien Tort Claims Act on grounds that the court had no jurisdiction. Lew's 41-page opinion in the federal case damaged Unocal, however, because he found that "the evidence does suggest that Unocal knew that forced labor was being utilized and that the Joint Venturers benefited from the practice." *John Doe I v. Unocal Corp.*, 110 F. Supp. 2d 1294 (C.D. Ca.. 2000). Judge Lew also wrote that there is evidence that "the military forced Plaintiffs and others, under threat of violence, to work on [Unocal's pipeline infrastructure] projects and to serve as porters for the military for days at a time." *Id.* at 1298.

Judge Lew specifically refused, however, to dismiss the state law claims despite Unocal's repeated urging. He remanded those claims to state court for resolution. Judge Chaney also rejected Unocal's claim that the federal ruling precluded a state trial.

Now, while the federal claims are on appeal to the US Ninth Circuit Court of Appeals, the state law claims will be allowed to proceed in California court, offering the Burmese workers another opportunity to hold Unocal responsible for their injuries. The Burmese believe that Unocal violated California's constitution and unfair business practice law, citing the company's involvement in the Burmese army's use of torture, physical assaults, and forced labor in the construction of a natural gas pipeline through Burma.

## BACKGROUND INFORMATION ON THE CASE.

As Judge Lew's opinion confirms, Unocal Corporation has engaged in a massive campaign of misinformation since it joined with the brutal military regime in Burma (Myanmar), the self-described State Law and Order Restoration Council (SLORC)<sup>1</sup>, to construct a gas pipeline in Burma. Despite years of Unocal's denials, it is clear now that Unocal knew about and benefitted from slave labor in the construction of its gas pipeline in Burma.

The "Yadana Project" is a joint venture between Total, the French energy giant, SLORC<sup>2</sup>, the Petroleum Authority of Thailand Exploration & Production Public Co., Ltd. (PTTEP), and Unocal to develop the Yadana natural gas field in the Andaman Sea. As a co-venturer, Unocal has pursued a project that relies upon the systematic use of forced labor and other human rights violations for the profit of its corporate coffers. Unocal is also propping up the corrupt and brutal SLORC regime by providing it with a long-term source of funding.

Two separate cases were filed on behalf of two different groups of Burmese refugees in September, 1996 against Unocal Corporation alleging primarily that Unocal's Yadana Project was using forced labor to construct its gas pipeline in Burma. Unocal quickly moved to dismiss both cases, arguing that there was no theory of law that would allow Unocal to be held liable for any acts occurring in connection with the pipeline project in Burma. In two separate opinions, Judge Richard Paez held that the cases could go forward under the Alien Tort Claims Act, a federal statute specifically designed to allow foreign nationals to sue U.S. citizens for violations of international law. See *National Coalition Government of the Union of Burma (NCGUB) v. Unocal, Inc.*, 176 F.R.D. 329 (C.D. Cal. 1997); *John Doe I et al v. Unocal Corp.*, 963 F.Supp 880 (C.D. Cal. 1997). Terry Collingsworth, General Counsel for the International Labor Rights Fund, based in Washington, D.C., serves as lead counsel for the plaintiffs in the NCGUB case, now known as the Roe case. Paul Hoffman of Schonbrun, De Simone, Seplow, Harris, and Hoffman in Venice, California, is lead counsel for plaintiffs in the Doe case. Lawyers for plaintiffs in both cases are now working closely together in their effort to bring Unocal to justice, and will file appeals in both cases.

The plaintiffs' victory at the dismissal stage gave them the right to conduct discovery against Unocal. This process was completed with limited exceptions by the Court-ordered discovery cutoff date of December 17, 1999. As part of discovery, all of the current plaintiffs were deposed by lawyers from the two large law firms Unocal has retained to defend it: Munger, Tolles and Olson, and Howrey, Simon, Arnold and White. Further, lawyers for the plaintiffs deposed more than 25 Unocal officials, employees and consultants, including CEO Roger Beach and former President and Vice Chair of the Board, John Imle. Plaintiffs also have received over 70,000 pages of documents from Unocal. Most of the documents have been inappropriately labeled "confidential" by Unocal in an effort to keep the public misinformed about the facts.

However, the truth is beginning to emerge. Judge Lew's opinion discusses a number of the key exhibits which demonstrate conclusively that Unocal did know about and benefit from the brutal use of forced labor during the construction of its pipeline. Plaintiffs have developed substantial evidence to support their allegations that their forced labor was used to clear the pipeline route, build pipeline infrastructure, such as roads, helipads, wharfs, security camps, and bridges. Further, virtually all of the plaintiffs, and thousands of other villagers, were also forced to serve as porters for military battalions specifically created to protect the pipeline.

## WHY THE UNOCAL/BURMA LITIGATION IS SIGNIFICANT

This lawsuit challenges Unocal's and in turn other U.S. corporation's inclination to seek competitive advantage through conducting business with governments that oppress their populations. The plaintiffs seek compensatory and punitive damages, including divestment of Unocal's Yadana Project profits, to send a strong message to the business community that it is simply not acceptable in the 21st Century to profit from human rights violations.

Many of the key Burma activists took the position initially with Unocal that they would not oppose completely Unocal's participation in the Yadana project. Rather, the activists sought to work with Unocal to develop an effective plan for monitoring pipeline construction to ensure that human rights were not violated in the construction process. In 1994 and 1995, before actual construction began, the activists met with Unocal President, John Imle, and its General Counsel, Dennis Codon, on several occasions. According to U Maung Maung, General Secretary of the Federation of Trade Unions of Burma who attended one of the meetings with Mr. Codon, Unocal treated the Burmese activists with "arrogant contempt." The meetings were held by Unocal "to say they were held," rather than to cooperate with the Burmese democracy advocates to develop a workable solution that would prevent all of the suffering that ultimately did occur during the construction of the Yadana pipeline.

In another meeting with Burma activists that took place on January 4, 1995, John Imle threatened: "Let's be reasonable about this. What I'm saying is that if you threaten the pipeline there's gonna be more military. If forced labor goes hand and glove with the military yes there will be more forced labor. For every threat to the pipeline there will be a reaction." Plaintiffs' Exhibit 2005 at UYP 1496. This displays quite clearly both that Mr. Imle knew the reality of SLORC and forced labor, and he was willing to assert the threat of SLORC brutality against innocent people in order to further protect Unocal's pipeline profits.

Unocal is an extreme example. There are hopefully few companies in today's economy that would deliberately go into business with the likes of the SLORC regime. Unocal's participation in the violation of human rights is greatly compounded by its fabricated campaign to hide the truth. Fortunately, the Burmese victims of Unocal's greed have managed to have their voices heard in a

U.S. court. If they had complained in Burma, Unocal's partner SLORC would have imprisoned, tortured and perhaps killed them. It is against the law in SLORC's Burma to provide negative information to "foreigners" about the government. Unocal has enthusiastically complied with that law, avoiding any criticism of their partner, SLORC. Plaintiffs hope that their lawsuit will motivate Unocal to also comply with international norms of human rights.

#### WHAT YOU CAN DO TO HELP THE BURMESE VICTIMS OF UNOCAL'S GREED

1. Contact Unocal directly and express your views about their campaign of misinformation and the findings by Judge Lew indicating that the company lied to the public about its knowledge of slave labor being used on the pipeline project. The email address is: [askus@unocal.com](mailto:askus@unocal.com)

2. If you own stock in Unocal Corporation or Union Oil of California, sell it. If you have a mutual fund or other investment package that invests in Unocal, ask that the fund managers to sell the Unocal stock. Most important, let Unocal know why you did this. Contact:

Robert E. Wright  
Vice President, Investor Relations  
2141 Rosecrans Avenue, Suite 4000, El Segundo, CA 90245  
Telephone: 310-726-7665; Fax: 310-726-7818;  
e-mail: [investor\\_relations@unocal.com](mailto:investor_relations@unocal.com)

3. Copy Roger C. Beach on any letters you send:

Roger C. Beach  
Chairman and CEO  
Unocal Corporation  
2141 Rosecrans Avenue, Suite 4000, El Segundo, CA 90245

4. Help the plaintiffs achieve victory in the litigation with your contribution to the litigation expense fund. Your contribution, however small, will help the plaintiffs cover the extraordinary costs of appealing Judge Lew's ruling and getting the case set for trial. Unocal is represented by two corporate law firms, Munger, Tolles and Olson, and Howrey, Simon, Arnold and White. Unocal Corporation has paid these two corporate firms millions of dollars in their attempt to prevent plaintiffs from getting to trial. Plaintiffs also need funds to support themselves while they wait for the case to be appealed. Send your contribution to:

International Labor Rights Fund,  
C/O Terry Collingsworth, General Counsel  
733 15th Street N.W. #920  
Washington, D.C. 20003

5. If you would like a hard copy of Judge Lew's opinion, contact:

Stacie Harting  
International Labor Rights Fund  
733 15th Street N.W. #920  
Washington, D.C. 20003  
Phone: 202-347, 4100  
Fax: 202-347-4885  
Email: [stacie.harting@ilrf.org](mailto:stacie.harting@ilrf.org)

6. For further information about the case, contact attorneys for the Roe plaintiffs:

Terry Collingsworth, General Counsel  
Natacha Thys, Associate Counsel  
International Labor Rights Fund  
733 15th Street N.W. #920  
Washington, D.C. 20003  
Phone: 202-347, 4100  
Fax: 202-347-4885  
Email: [terry.collingsworth@ilrf.org](mailto:terry.collingsworth@ilrf.org)  
[natacha.thys@ilrf.org](mailto:natacha.thys@ilrf.org)

#### OTHER INFORMATION ON UNOCAL AND ITS PARTNER, SLORC

1. On March 10, 2000 National Public Radio's Daniel Zwerdling aired a story on forced labor in connection with Unocal's pipeline project: Blood and Oil in Burma. A transcript of the story is available at:  
<http://www.americanradioworks.org/features/burma/index.html>.

2. The U.S. Department of Labor has issued a new report, "2000 Report on Labor Practices in Burma,"  
<http://www.dol.gov/dol/ilab/public/media/reports/ofr/burma/burma2.htm>.

3. The International Labor Organization formed a special Commission of Inquiry in 1997, which conducted a thorough investigation of SLORC's record of using forced labor systematically. That report is available at: <http://www.ilo.org/public/english>.

4. The Action Resource Center has a Website that provides current information regarding the democracy movement in Burma.  
[http://www.arcweb.org/unocal/unocal\\_charter\\_revocation.html](http://www.arcweb.org/unocal/unocal_charter_revocation.html).

5. The Burmafund maintains a Website that includes specific information about Unocal's activities in Burma.  
[http://www.burmafund.org/Research\\_Library/yadana\\_natural\\_gas\\_pipeline\\_proj.htm](http://www.burmafund.org/Research_Library/yadana_natural_gas_pipeline_proj.htm).

6. Earthrights International, which is part of the legal team representing the Doe plaintiffs, also maintains a website that provides information about Burma and Unocal's Yadana project. <http://www.earthrights.org/index.html>. Of particular interest are two Earthrights research papers, Destructive Engagement (1999) and Total Denial (1996). Both papers can be accessed via the Website.

7. There is an online newspaper specializing in recent events inside Burma, BurmaNet News. It can be accessed at <http://www.burmanet.org/>

.....

#### Footnotes

1. At the time of the events relevant to the litigation, Burma's ruling junta was called SLORC. It has since changed its name to the State Peace and Development Council (SPDC).

2. Through the Myanmar Oil and Gas Enterprise (MOGE) which is controlled by SLORC's Ministry of Energy.