



NEW YORK CITY LAW DEPARTMENT
OFFICE OF THE CORPORATION COUNSEL

Michael A. Cardozo, *Corporation Counsel*

Press Release

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For Immediate Release

**EXXON MOBIL FOUND LIABLE FOR \$105 MILLION
FOR CONTAMINATING NEW YORK CITY'S GROUNDWATER**

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New York, October 19, 2009 – A federal jury in Manhattan, after an 11-week trial, has found ExxonMobil liable for contaminating New York City's groundwater with the gasoline additive methyl tertiary butyl ether or MTBE, and awarded the City \$105 million in damages. The City of New York sued ExxonMobil for the costs of removing MTBE from drinking water wells in southeast Queens. The jury found Exxon liable for product liability for failure to warn people about the dangerous nature of its product as well as trespass, public nuisance, and negligence.

The City presented evidence that ExxonMobil added MTBE to gasoline knowing that it would contaminate groundwater when the gasoline leaked and knowing that underground storage tanks at gas stations, many of which are owned by ExxonMobil, regularly leak. The City also contended that ExxonMobil ignored warnings from its own scientists and engineers not to use MTBE in areas of the country, like Queens, that use groundwater for drinking water. ExxonMobil failed to inform government agencies, gasoline station owners, water suppliers, and the public about the dangers from MTBE. New York State banned MTBE as of 2004, after MTBE had polluted groundwater drinking water supplies throughout the State. Approximately 20 other states have also banned MTBE.

"Our water supply is one of our most vital resources – and we will work to protect it and go after those who damage it," said Mayor Bloomberg. "Victories like this demonstrate our commitment to using taxpayer resources to protect New Yorkers and are a credit to the talented team at the Corporation Counsel's office."

"We are extremely gratified that the jury acted to protect the City's drinking water, and awarded the City all the compensatory damages it sought. This is a tremendous victory for New Yorkers and a clear message to polluters. I am grateful for the tireless efforts of our attorneys – particularly our outside counsel, Vic Sher and Bob Chapman for their expert work on this case," said Michael A. Cardozo, Corporation Counsel for New York City.

"The jury's verdict today represents a win for our ratepayers. DEP is committed to providing high quality drinking water to all consumers. Now the financial burden of cleaning up contamination to the groundwater system caused by ExxonMobil will rightly fall to the polluters," said Steven W. Lawitts, Acting Commissioner of the New York City Department of Environmental Protection.

"We have been honored to represent the City in this important case, and we are delighted with the jury's verdict. This is an important result for cities and water utilities everywhere. It makes clear that even the biggest corporation in the world must protect drinking water and pay to clean it up when their products pollute it," said Victor Sher of Sher Leff, LLP, outside counsel to the City and one of the lead attorneys for the case.

The City's drinking water supply system includes 68 wells in southeast Queens. The installation and upgrade of water treatment stations to remove MTBE would help provide drinking water to Queens

residents when portions of the upstate reservoir system are out of service for repair, or during droughts or other emergencies. After the MTBE is removed from the groundwater, the wells will be able to provide drinking water to Queens residents that is of the same high quality as that provided to other residents of the City.

The case was tried before Judge Shira Scheindlin of the U.S. District Court for the Southern District of New York. The trial focused on six of the City's wells. Several of the nation's largest oil companies -- including Shell, BP, Chevron, Citgo, Hess, and Sunoco -- previously settled the City's claims against them for a total of \$15 million.

This case was overseen by Susan Amron of the New York City Law Department, and was tried by Sher Leff LLP, a San Francisco law firm specializing in litigation on behalf of public water suppliers and agencies in cases involving contamination of drinking water with toxic chemicals, and Greenberg Glusker Fields Claman & Machtinger LLP, a Los Angeles law firm

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