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Newsroom

Logan on BP Racketeering Claims

Reuters spoke to Dean David Logan about a federal judge's decision to dismiss racketeering charges against BP in Gulf oil spill litigation.

From Reuters: "[Judge tosses RICO claims vs BP over oil spill](#)" by Moira Herbst and Jonathan Stempel

NEW YORK, July 15, 2011 (Reuters) - BP Plc won two legal victories on Friday, as a federal judge threw out racketeering claims made by the lead plaintiffs suing over last year's Gulf of Mexico oil spill, and also set aside a lawsuit by partner Anadarko Petroleum Corp .

U.S. District Judge Carl Barbier in New Orleans dismissed claims that BP violated a federal anti-racketeering law by defrauding U.S. regulators in connection with the safety of its drilling operations, its ability to respond to any oil spill and its response to the spill.

Barbier said there was no proof that the plaintiffs, which include businesses and homeowners, were directly harmed in a way to sustain their claims under the Racketeer Influenced and Corrupt Organizations Act, or RICO. That law originally was intended to fight organized crime.

The RICO ruling does not affect other claims by hundreds of plaintiffs, who allege they lost earnings, revenue or rental income, or saw the value of their property decline as a result of the spill.



"While it is certainly a relief for BP to get these (RICO) claims off the table, it was the regular damage claims and possible punitive damages risks that have always been the biggest threat on the private litigation side," **said David Logan, dean of Roger Williams University School of Law in Bristol, Rhode Island.**

Separately, Barbier put Anadarko's claims against BP on hold, citing a provision in the companies' operating agreement for the Macondo well that disputes be arbitrated.

Anadarko owned a 25 percent stake in the blown-out Macondo well. BP had asked Anadarko to help pay for some of the cleanup and recovery costs, but the company has refused. Anadarko then filed a lawsuit in April, claiming it was not at fault for the explosion and spill.

"We respect today's decision, which does nothing to diminish our claims," Anadarko spokesman John Christiansen said in an email. "It simply addresses the venue in which they may be resolved."

BP declined to comment on Friday's rulings, but in an email said Anadarko "blatantly disregarded its responsibilities to the residents of the Gulf Coast by failing to pay its fair share of the costs ... BP remains focused on ensuring that Anadarko lives up to its obligations."

Eleven people died when the Deepwater Horizon rig exploded on April 20, 2010, resulting in the largest oil spill in U.S. history.

So far, BP has spent an estimated \$42 billion on cleanup and other costs.

In April it sued partners including Transocean Ltd , which owned the drilling rig, and Cameron International Corp , which made a blowout preventer, to force them to share in spill-related costs.

Those lawsuits, along with hundreds of others, are part of the multi-district litigation in Barbier's court. The judge has set a February 2012 start date for a trial that will parse blame among defendants.

The case is *In re: Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico*, on April 20, 2010, U.S. District Court, Eastern District of Louisiana, No. 10-md-02179.

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[<http://www.reuters.com/article/2011/07/15/bp-lawsuits-idAFN1E76E18020110715?sp=true>]