

Chevron fined for “willful violations” in California refinery fire

Henry Allan
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Chevron, the second largest oil and energy company in the United States, was fined \$963,200 by Cal/OSHA (the California Division of Occupational Safety and Health) for state safety standard violations related to the August 6, 2012, fire at its Richmond, California, refinery.

The proposed penalties issued were the result of 25 citations for the violation of state safety standards. “Our investigators found willful violations in Chevron’s response before, during and after the fire,” reported Cal/OSHA chief Ellen Widess.

Of the 25 citations, 23 were classified as “serious” due to the grave danger posed to workers. Cal/OSHA found that Chevron did not take reasonable actions to eliminate refinery conditions that it knew posed hazards to employees, and because it intentionally and knowingly failed to comply with state safety standards.

“Ensuring worker safety is the employer’s responsibility,” said Christine Baker, Department of Industrial Relations director, who oversees Cal/OSHA.

According to Cal/OSHA, its investigators found:

- * Chevron did not follow the 2002 recommendations of its own experts—inspectors and metallurgical scientists—to replace the corroded pipe that ruptured and caused the fire in August 2012;

- * Chevron did not recognize the potential for a catastrophic release of ignitable diesel fuel from the leaking pipe, and ordered contractor workers to erect a scaffold at the leak site;

- * Chevron did not follow its own emergency shutdown procedures for the affected Crude Unit. Instead, managers exposed workers to harm by directing them to remove the pipe’s insulation;

- * Chevron allowed workers to enter the hazardous zone without proper personal protective equipment;

- * Chevron had pervasive violations in its leak repair

procedures throughout the refinery. Cal/OSHA inspectors identified leaks in pipes that Chevron had clamped as a temporary fix. In some cases, the clamps remained in place for years, rather than being replaced.

In addition, investigators found that there were violations in Chevron’s overall implementation of its own “process safety management” (PSM) procedures, which all refineries must meet under Cal/OSHA rules.

PSM regulations, according to Cal/OSHA, require refineries to implement a comprehensive safety plan that includes a precise determination of what hazards exist and procedures to follow to eliminate or reduce them. Employers are required to ensure that machinery and equipment are in good condition, that work procedures are safe, that hazards are controlled, and that workers are trained to recognize hazards, safely operate equipment and respond appropriately in emergency situations.

“It is Chevron’s responsibility to ensure the safety of its operations. Having an effective workplace safety culture is essential in preventing these kinds of incidents,” Widess explained. “This case demonstrates the risks that occur when a refinery does not follow its own safety maintenance program.”

Chevron spokesperson Sean Comey said the corporation plans to appeal. “We are in the process of reviewing the citations issued by Cal/OSHA. Chevron takes our commitment to safe operations seriously. Although we acknowledge that we failed to live up to our own expectations in this incident, we do not agree with several of the Cal/OSHA findings and its characterization of some of the alleged violations as ‘willful.’ ”

In fact, Chevron, along with the other oil corporations, has a long history of safety violations and criminal indifference to the impact of its operations on

its workers, the public and the environment. Only five years ago, the same crude unit at the same refinery caught fire and burned for 10 hours before finally being shut down for months. In 1999, an explosion and fire sent more than 1,200 people to the hospital for breathing difficulties and eye irritation.

In the latest Richmond refinery fire, more than 15,000 people in the Bay Area reported to hospitals after being exposed to dangerous sulfuric acid and nitrogen dioxide fumes that blew into neighborhoods. Tens of thousands were warned to stay in their homes as gas and black smoke spread.

In June 2010, a Chevron pipeline in Salt Lake City, Utah, broke open, pouring tens of thousands of gallons of crude into a tributary of the Great Salt Lake.

In February 2011, Chevron was found guilty of massive environmental contamination of the Amazon in Ecuador and ordered to pay \$9 billion in damages. Chevron admitted that its system of oil extraction in the Ecuadorian Amazon led to the deliberate discharge of approximately 18 billion gallons of chemical-laden “water of formation” into the streams and rivers of the Amazon, home to six indigenous tribes.

Over the course of more than two decades, the company abandoned more than 900 unlined waste pits gouged into the jungle floor. These pits leached toxins into the soil and rivers. The air was contaminated by burning waste pits. The corporation did not attempt to capture harmful gases produced during extraction, but burned them in a process known as “flaring,” thus adding to greenhouse gases. In addition, Chevron dumped oil along roads, spilled millions more crude from ruptured pipelines and ordered its field workers to destroy records of oil spills. Finally, Chevron never conducted a single health evaluation or environmental impact study despite pervasive evidence of the growth of cancers among the indigenous groups.

In 2012, Brazil filed a lawsuit against Chevron for \$22 billion, claiming that the oil giant was “not careful” in its operation of offshore oil fields.

The reason for this persistent disregard for the environment and worker safety is not hard to explain. Oil industry profits have soared. From 2001 to 2011, five oil companies—BP, Chevron, Conoco/Phillips, Exxon-Mobile and Shell—made more than a \$1 trillion in profits. Despite generating \$546 billion in profits between 2005 and 2010, BP, Chevron, ExxonMobil

and Shell reduced their domestic workforce by 11,200 employees. These same oil corporations spent more than \$67 million dollars “lobbying” Congress.

By comparison, an occasional fine is a drop in the bucket.



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