

# New York attorney general to investigate ExxonMobil over climate change falsifications

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The *New York Times* reported Thursday that the New York attorney general's office has sent subpoenas to executives at the energy giant ExxonMobil. The attorney general's office is seeking access to financial records, emails and other information relating to a period of several decades in which the company may have misled corporate investors about the effects of climate change on the oil giant's bottom line.

The investigation, for which documentation has not been made public, was spurred by the office of New York Attorney General Eric T. Schneiderman after a series of investigative news reports published in October in the *Los Angeles Times* and *Inside Climate Change*. The reports established that from the 1970s until the late 1980s, ExxonMobil had promoted research and findings that demonstrated the impact climate change would have on the planet.

"Exxon must develop a credible scientific team that can critically evaluate the information generated on the subject and be able to carry bad news, if any, to the corporation," stated Exxon's then-carbon dioxide specialist Henry Shaw in an internal memo in 1978, according to *Inside Climate Change*. The position taken by ExxonMobil's leading scientists would diametrically contradict the company's later public posture denying the veracity of global warming.

The reports establish that as early as 1977, scientists employed at ExxonMobil were raising warnings about the implications of global warming on the company's bottom line. "Certainly any major development with a lifespan of say 30-40 years will need to assess the impacts of potential global warming," stated Ken Croasdale, senior ice researcher at Exxon's Canadian subsidiary to a conference in 1991, the *Times* reports.

According to *Inside Climate Change*, Exxon executives in this earlier period sought to establish their

scientific credibility on the subject in order to better strengthen their hand "at the policymaking table," before later abandoning such postures in the late 1980s and early 1990s in order to promote bogus scientific research seeking to invalidate their own previous findings.

The revelation of ExxonMobil's blatantly contradictory positions prompted Schneiderman to inquire into the company's business practices. According to the *New York Times*, the inquiry sought to determine "whether statements the company made to investors about climate risks as recently as this year were consistent with the company's own long-running scientific research."

In pursuing the investigation, Schneiderman has invoked the 1921 Martin Act, which gives his office power to prosecute "all deceitful practices contrary to the plain rules of common honesty," Reuters reports. The law invests the attorney general with sweeping power to bring both civil and criminal charges against the company.

In addition, New York attorney general's office has launched a parallel investigation into Peabody Energy, the world's largest coal producer, for similar activities. The *Times* reported Friday that a source from within the attorney general's office may seek to expand the investigation and potential lawsuit to other energy companies. "There was a concerted effort by multiple American oil companies to obscure the emerging climate science consensus throughout the 1990s. ... This group may be vulnerable to legal challenge," the *Times* quoted Paul Bledsoe, former White House aide to Bill Clinton on climate issues.

In 1989, Exxon, along with British Petroleum, Shell Oil and Texaco (now Chevron) and other energy giants, formed the Global Climate Coalition, an organization

dedicated to the dispersing of false information pertaining to global warming. In addition, the company is a listed supporter of the American Legislative Exchange Council (ALEC), a pro-business lobbying group that promotes research skeptical of the effects of global warming.

A number of media commentators have compared the inquiry to a 2006 lawsuit that found that the tobacco industry for decades systematically sought to suppress studies finding that cigarette smoking posed massive health risks for consumers.

It is unclear if Schneiderman's investigation will result in a lawsuit, however, as it is limited only to determining whether the company sought to defraud its investors. Unlike the previous charges brought against Big Tobacco, there is no clear proof that ExxonMobil sought to suppress studies detailing the effects of global warming when such studies were beneficial to the corporation's bottom line.

Contrasting such differences between the lawsuits brought against the two industries, Reuters quotes Daniel Riesel, defense attorney at Sive, Paget & Riesel, as stating: "The tobacco companies knew they were selling a product that was killing people and they failed to disclose that. ... Here it's not as stark. You'd have to be able to show that Exxon had knowledge—knowledge that couldn't be questioned—that their activity was going to contribute to global warming in a way that would materially hurt the company."



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