

UK law firm faces payout over missing Trafigura compensation

June 16 2016



The oil company agreed in 2009 to pay around £30 million (\$42.4 million, 38 million euros) to 30,000 people affected by the dumping of caustic soda and petroleum residues in the economic capital Abidjan in 2006

Thousands of people due payouts over the dumping of toxic waste by oil-trading group Trafigura in Ivory Coast won their English High Court claim against their lawyers on Thursday, having never received their money.

The oil company agreed in 2009 to pay around £30 million (\$42.4 million, 38 million euros) to 30,000 people affected by the dumping of caustic soda and petroleum residues in the economic capital Abidjan in 2006.

However, 6,000 of the claimants received nothing after £6 million of the

payout was fraudulently withdrawn.

High Court judge Andrew Smith on Thursday ruled that London-based legal firm Leigh Day, who represented the claimants, had been negligent in using an Ivorian bank account to park the lump sum, leaving it open to embezzlement.

"I am extremely pleased for our clients, who have been waiting for seven years to get their compensation," the claimants' lawyer Kalilou Fadiga, from legal firm Harding Mitchell, told AFP after Thursday's ruling.

"It's a victory for natural justice and common sense and a light at the end of the tunnel," added Fadiga, who was representing 4,750 of the claimants.

"They (Leigh Day) should have known before they sent the money that Ivory Coast was quite unstable, it was divided between two warring factions... and by their own admission, they saw signs of rampant corruption."



People contaminated by the dumping of toxic waste by the Probo Koala, a Panamanian-registered cargo ship operated by Trafigura in Ivory Coast in 2006, hold cardboard during a protest on November 30, 2011 in Abidjan

The £6 million was withdrawn by an organisation claiming to be the victims' representative, but which was in fact a "mechanism to embezzle" with the help of corrupt officials, according to Fadiga.

In his ruling, judge Smith revealed that Leigh Day senior partner Martyn Day had been warned by senior lawyer Daniel Brennan that "once the money goes into the (Ivory Coast) system, it is gone as far as the ordinary people are concerned".

But the legal firm went against advice to distribute the money from a European account.

Fadiga said it was "definitely" a blow for Leigh Day, which has built up a reputation as champion of the underdog after fighting high-profile cases against the British government on behalf of the Kenyan Mau Mau and detainees during the War in Iraq.

"It's a lesson for them," he said.

"Not only should they be going round the world to try to help victims, but they shouldn't take their eyes off the ball about the ultimate goal which is to get compensation to the right people."

A lawyer for the victims also called the firm's initial claim of £105 million in legal costs—three times more than the compensation awarded to the victims—"staggeringly high", before a judge reduced the amount.

The amount of compensation to be paid out by the law firm will be decided at a hearing in October, but is expected to be close to the original claim of around £1,000 per person, or £4.75 million in total.

© 2016 AFP

Citation: UK law firm faces payout over missing Trafigura compensation (2016, June 16)
retrieved 20 September 2024 from

<https://phys.org/news/2016-06-uk-law-firm-payout-trafigura.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--