

6-16-2010

Pemex Files Unprecedented Lawsuit Against U.S. Companies Who Purchased Stolen Fuel

LADB Staff

Follow this and additional works at: <https://digitalrepository.unm.edu/sourcemex>

Recommended Citation

LADB Staff. "Pemex Files Unprecedented Lawsuit Against U.S. Companies Who Purchased Stolen Fuel." (2010).
<https://digitalrepository.unm.edu/sourcemex/5407>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Pemex Files Unprecedented Lawsuit Against U.S. Companies Who Purchased Stolen Fuel

by LADB Staff

Category/Department: Mexico

Published: 2010-06-16

In an unprecedented action, Mexico's state-run oil company PEMEX has filed a lawsuit in a US court against a handful of US companies and the subsidiary of a German chemical manufacturer, accusing them of knowingly buying fuel products stolen from PEMEX facilities in northern Mexico. The suit, filed in Federal District Court in Houston, alleges that five US-based companies purchased stolen petroleum condensate from intermediaries who had acquired the fuel from the drug-smuggling cartel the Zetas. The Zetas, once the enforcement arm of the Gulf cartel, appear to have branched out into other illegal operations, including fuel theft (SourceMex, January 06, 2010).

The lawsuit, filed by PEMEX subsidiary Pemex Exploración y Producción (PEP), alleges that five companies Murphy Energy Corp., Trammo Petroleum, BASF, Valley Fuels, and US Petroleum Depot acquired the fuel even though they were aware that the product had been stolen from PEMEX. A number of small companies were also said to have participated in the scheme including Ygriega Energy, Petro Salum, and Valley Fuels. All the companies are based in Texas, except Murphy Energy Corp., whose headquarters is in Oklahoma.

Through the legal action, PEP is hoping primarily to halt the smuggling operations, which have resulted in the loss of as much as US\$300 million. James Teater, the attorney representing PEP in the lawsuit, said the primary goal is to stop the thefts. "As long as they see a market for stolen Pemex condensate, they will find a way to steal it," Teater said, in reference to the Zetas and their accomplices. The lawsuit also aims to recover the value of fuel stolen in the states of Coahuila, Nuevo León, Tamaulipas, and Chihuahua. "The state-run oil company recognizes that, in the past several years, illicit groups have concentrated their efforts on theft of fuel originating in the Burgos region, which has a high market value," said the Mexico City daily newspaper Milenio.

As much as US\$300 million in condensate or other byproducts was taken from PEMEX, either directly from the company's facilities or from tanker trucks that were hijacked since 2006. A total of 22 tanker trucks were hijacked during the past several years. Teater said PEMEX is seeking to recover damages from BASF and Murphy Energy for allegedly having "directly assisted and encouraged" an organized criminal enterprise. BASF has pledged to cooperate fully with authorities but denied knowing that the fuel it acquired was stolen. "We did not know that it was stolen material when the company acquired it," said Frank Zeller, a spokesperson for BASF's North American division. The investigation that led to the lawsuit was initiated in 2007 and was conducted in conjunction with US authorities. The US government took an interest in the case because proceeds from the fuel sales were often used by the Zetas and their intermediaries to acquire weapons in the US.

US President Barack Obama's administration has pledged to take steps to control the flow of illegal weapons from the US into Mexico, although the effort thus far has had little or no success

(SourceMex, April 01, 2009 and August 12, 2009). The US investigations, which have been centered in Texas primarily in Laredo, Brownsville, San Antonio, and Houston have resulted in the arrest of 10 employees from the various energy companies. These individuals are accused of conspiracy.

-- End --