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VENTURA SUPERIOR COURT

SEP 23 2019

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF VENTURA

THE PEOPLE OF THE STATE OF
CALIFORNIA,

Plaintiff,

v.

CALIFORNIA RESOURCES
CORPORATION,

Defendant.

COURT NO.

COMPLAINT FOR INJUNCTION, CIVIL
PENALTIES AND OTHER EQUITABLE
RELIEF

(Health & Saf. Code, Div. 20, Chapters 6.5
and 6.95; Bus. & Prof. Code, §§ 17200 et
seq.)

Exempt from fees per Gov. Code, § 6103

Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, through its attorneys,
Gregory D. Totten, the District Attorney of Ventura County, by Senior Deputy District
Attorney Mitchell F. Disney; Cynthia J. Zimmer, the District Attorney of Kern County, by
Deputy District Attorney Jeffrey W. Noe; Jackie Lacey, the District Attorney of Los Angeles
County, by Deputy District Attorney Christopher D. Curtis; and Joyce E. Dudley, the District
Attorney of Santa Barbara County, by Deputy District Attorney Christopher B. Dalbey, is
informed and believes and based thereon alleges:

VENUE AND JURISDICTION

1. Gregory D. Totten, the District Attorney of Ventura County, by Senior Deputy
District Attorney Mitchell F. Disney; Cynthia J. Zimmer, the District Attorney of Kern County,
by Deputy District Attorney Jeffrey W. Noe; Jackie Lacey, the District Attorney of Los

1 Angeles County, by Deputy District Attorney Christopher D. Curtis; and Joyce E. Dudley, the
2 District Attorney of Santa Barbara County, by Deputy District Attorney Christopher B. Dalbey,
3 bring this action in the public interest in the name of the People of the State of California
4 ("People") to enforce the People's police and regulatory powers pursuant to sections 17204 and
5 17206 of the Business and Professions Code, and sections 25181, 25182 and 25515.6 of the
6 Health and Safety Code. Plaintiff, by this action, seeks to enjoin the defendant from engaging
7 in the anti-competitive, unfair, fraudulent and unlawful business acts and practices alleged
8 herein and from violating the laws and regulations related to the handling of hazardous
9 materials and the management of hazardous waste as further alleged herein, and seeks civil
10 penalties for the defendant's violations of applicable statutes and regulations. This court has
11 jurisdiction pursuant to Article 6, section 10, of the California Constitution.

12 2. Venue is proper in this county pursuant to Health and Safety Code sections
13 25183 and 25515.7, and Code of Civil Procedure section 393, in that violations alleged in this
14 Complaint occurred in the County of Ventura.

15 3. The actions of the defendant as hereinafter set forth are in violation of the laws
16 and public policies of the State of California, and as such are inimical to the health, safety,
17 rights and interests of the general public as consumers, competitors and citizens.

18 **DEFENDANT**

19 4. The defendant, CALIFORNIA RESOURCES CORPORATION ("CRC"), is a
20 Delaware Corporation with offices at 9200 Oakdale Avenue, Suite 900, Los Angeles,
21 California. In or around September 2014, CRC acquired and assumed the assets and liabilities
22 of certain oil and gas exploration and production ("E&P") companies related to Occidental
23 Petroleum Corporation's active and discontinued California oil and gas operations (the
24 "California E&P Operations"). At all times relevant to the allegations herein, CRC continued to
25 operate the California E&P Operations after the acquisition. CRC is legally responsible for all
26 of the acts and omissions alleged herein.

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1 6. At all times relevant, the defendant and each of the California E&P Operations
2 was a "Person" who engaged in the "management" of "hazardous waste(s)," as defined in
3 Health and Safety Code sections 25118, 25117.2, and 25117, respectively.

4 7. The acts and omissions alleged herein to be in violation of California law were
5 carried out by the defendant and its agents and employees acting within the course and scope of
6 their agency and employment.

7 8. The alleged acts and omissions of the defendant as alleged below are in
8 violation of the law and public policy of the State of California. Unless enjoined and restrained
9 by an order of the Court, the defendant will continue to retain the means to engage in the
10 unlawful acts, omissions, practices or courses of conduct alleged below.

11 **STATUTORY AND REGULATORY BACKGROUND**

12 9. This action is brought under Chapter 6.5 of Division 20 of the Health and Safety
13 Code, sections 25100 et seq. ("Chapter 6.5"). Chapter 6.5's implementing regulations are set
14 forth in California Code of Regulations, title 22, division 4.5, section 66260.1 et seq. ("Title
15 22"). Except where otherwise expressly stated in this Complaint, terms should be interpreted
16 consistently with Chapter 6.5 and Title 22. Additionally, this action is brought under California's
17 "Unfair Competition Law," codified at Chapter 5, Part 2 of Division 7 of Business and
18 Professions Code sections 17200 et seq. ("UCL"). Pursuant to Business and Professions Code
19 section 17204, the District Attorney may bring a civil action in the name of the People of the
20 State of California for relief as provided in the UCL.

21 **GENERAL ALLEGATIONS**

22 10. Plaintiff is informed and believes and based thereon alleges that all oil-and-gas
23 E&P operations, including the California E&P Operations, generate hazardous and/or non-
24 hazardous wastes, and that the California E&P Operations generated such wastes at well sites
25 located throughout California, including in the Counties of Kern, Los Angeles, Santa Barbara
26 and Ventura.

I.

FIRST CAUSE OF ACTION

Violations of Chapter 6.5 of Division 20 the Health and Safety Code

11. Plaintiff realleges and incorporates herein by reference paragraphs 1 through 10, inclusive, as though fully set forth here.

12. The defendant violated California Health and Safety Code section 25189.2, subdivisions (b) and (c), by the following acts and omissions:

- a. Managing any waste without first having made a hazardous-waste determination, as required by 22 CCR section 66262.11;
- b. Causing the transportation of hazardous waste to a point not authorized under Chapter 6.5, in violation of Health and Safety Code section 25189.2, subdivision (b) and 25189.5, subdivision (c);
- c. Causing the disposal of hazardous waste at a point not authorized under Chapter 6.5 to receive it, in violation of Health and Safety Code section 25189.2, subdivision (c);
- d. Transferring custody of hazardous waste to an individual or third party for transportation or disposal without first properly completing a uniform hazardous waste manifest and providing the manifest to the person transporting the waste, as required by Health and Safety Code section 25160, subdivisions (a) and (b);
- e. Offering hazardous waste for transportation off-site without first having marked each package of hazardous waste in accordance with the applicable Department of Transportation regulations on hazardous materials under Title 49 Code of Federal Regulations Part 172, as required by section 66262.32 of Title 22;
- f. Offering hazardous waste for transportation off-site, without first having placarded, or offered the initial transporter the appropriate placards, according to Department of Transportation regulations for hazardous

1 materials under Code of Federal Regulations, Title 49, Part 172, Subpart F, as
2 required by section 66262.33 of Title 22.

3 13. Based on the above, the People request injunctive relief against the defendant
4 under Health and Safety Code section 25181, and civil penalties under Health and Safety Code
5 section 25189 or 25189.2, as described in the People's prayer for relief.

6 II.

7 **SECOND CAUSE OF ACTION**

8 **Violations of UCL; Business and Professions Code §§ 17200-17208**

9 14. Plaintiff realleges and incorporates herein by reference paragraphs 1 through 13,
10 inclusive, as though fully set forth here.

11 15. The defendant has engaged in separate acts of unlawful and/or unfair
12 competition prohibited by California Business and Professions Code sections 17200 through
13 17208, each of which constitutes an unlawful and/or unfair business practice actionable under
14 the UCL. The unlawful and/or unfair business practices committed by the defendant include,
15 but are not limited to, the violations of Health and Safety Code section 25189.2, of Chapter 6.5,
16 and of Title 22, as alleged in the first cause of action.

17 16. The above unlawful conduct, acts, and omissions of the defendant in violation of
18 section 17200 of the Business and Professions Code demonstrate the necessity and legal basis
19 for granting injunctive relief and civil penalties pursuant to sections 17203 and 17206 of the
20 Business and Professions Code.

21 **PRAYER**

22 WHEREFORE, the People pray for judgment as follows:

23 1. For a permanent injunction, issued pursuant to Health and Safety Code sections
24 25181 and 25184, requiring the defendant to comply with the above-cited provisions of Health
25 and Safety Code, Division 20, Chapter 6.5, and Title 22;

26 2. For a permanent injunction, issued pursuant to Business and Professions Code
27 section 17203, prohibiting the defendant from engaging in any act that violates the provisions of
28 Chapter 6.5 of Division 20 of the Health and Safety Code, as alleged in this Complaint, which

1 thereby constitute unlawful, unfair or fraudulent practices or unfair competition within the
2 meaning of Business and Professions Code section 17200 et seq.;

3 3. Pursuant to Health and Safety Code section 25189.2, that the defendant be
4 ordered to pay a civil penalty in the amount of not more than Twenty-Five Thousand Dollars
5 (\$25,000) for each separate violation of law occurring on or before December 31, 2017, and
6 Seventy Thousand Dollars (\$70,000)¹ for each separate violation of law occurring on or after
7 January 1, 2018, as alleged in the First Cause of Action, according to proof;

8 4. Pursuant to section 17206 of the Business and Professions Code, that the
9 defendant be ordered to pay a civil penalty in the amount of not more than Two Thousand Five
10 Hundred Dollars (\$2,500) for each violation of section 17200 of the Business and Professions
11 Code perpetrated by the defendant as alleged in the Second Cause of Action, according to proof;

12 5. That Plaintiff have such other and further relief as the nature of the case may
13 require and the Court finds appropriate to dissipate the effects of the unlawful and unfair acts
14 complained of herein;

15 6. That the Court require the defendant to provide reimbursement to all government
16 agencies that have expended resources in investigating the defendant's violations of law; and

17 7. That Plaintiff recover all costs of investigation, enforcement, prosecution, and
18 suit herein; and

19 8. For such other and further relief as the Court deems just and proper.

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27 ¹ Effective January 1, 2018, Health and Safety Code section 25189.2 was amended so that the applicable civil
28 penalty is not to exceed seventy thousand dollars (\$70,000) for each violation of a separate provision or, for
continuing violations, for each day that the violation continues. (Stats.2017, c. 499 (A.B. 245) § 2, eff. Jan. 1,
2018.)

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Respectfully submitted,

GREGORY D. TOTTEN, District Attorney
County of Ventura, State of California

DATED: 9/23/2019

By: *Mitchell F. Disney*
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DATED: 9/23/2019

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DATED: 9/23/2019

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DATED: 9/23/2019

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