

THE WALL STREET JOURNAL.

BP Claims Process Moves Forward, But Not Without Grumbling

LAW BLOG

October 20, 2010

By Dionne Searcey

Making the Gulf whole again after a massive oil spill isn't an easy task on any level. Washington attorney Kenneth Feinberg (pictured) has been charged with one of the most dicey elements: deciding on behalf of BP how to compensate businesses and individuals.

Feinberg is running BP's \$20 billion fund to which anyone with a financial claim against the oil company can make a claim. The task is anything but simple. More than 200,000 claims have been filed, many of them from people whose businesses are hanging by a thread after oil lapped the Gulf's beaches and bayous. Emotions are running high.



Washington attorney Kenneth Feinberg

We detail in a story today that the lengths Feinberg has gone to in paying claims that are anything but straightforward. He's had to sift through fraudulent claims and those where business owners use complicated projections in an uncertain economic climate to estimate what they think they're owed. Feinberg has sped up the pace of paying claims and is working to institute more transparency in the process so claimants know, for instance, where they are in line in terms of getting checks in the mail.

But on the ground, there's lots of grumbling. Some claims have been stalled for weeks – likely because of documentation issues, says Feinberg. Some business owners say they've been strung along, misinformed and had hopes dashed, then fulfilled by fund administrators. Furniture store owner Keith Lee in Orange Beach, Ala., for instance, was told his \$205,700 claim was denied, then told it was being re-evaluated, then told he'd be paid in full, then told it was denied before finally being paid in full.

"That is the most sublime form of human cruelty I had ever experienced," he told the WSJ. He says he is pleased he was paid, but calls Feinberg's office "the big castle in the sky" where no one really knows how decisions are made. For the plight of fishermen see this Washington Post story.

While claimants who accept final claims from the fund must waive their right to sue, many of them have turned to lawyers such as Joe Rice of Motley Rice, Rhon Jones of Beasley Allen and **Richard Arsenault of Neblett, Beard & Arsenault** for help compiling their claims. Those and dozens of other attorneys are also handling civil suits against BP.

Despite the bumpy start to the fund process, Mr. Feinberg's point that making claims to the fund will result in a faster payout than lawsuits seems apparent. New Orleans federal judge Carl Barbier scheduled the first trial for next summer. Click here for a story from the Houston Chronicle on that.