



# Department of Justice

United States Attorney A. Brian Albritton  
Middle District of Florida

Tampa                      Orlando                      Jacksonville                      Fort Myers                      Ocala  
FOR IMMEDIATE RELEASE                      CONTACT: STEVE COLE  
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<http://www.usdoj.gov/usao/flm/pr>                      FAX: (813) 274-6300

**KOREAN CORPORATE OWNER OF CARGO VESSEL SENTENCED TO PAY \$2.2 MILLION FOR CONSPIRACY AND FALSIFYING RECORDS**

\_\_\_\_\_ Tampa, Florida - U.S. Attorney A. Brian Albritton announces that U. S. District Judge Richard Lazzara today sentenced the Korean corporation STX Pan Ocean Co., Ltd., which operates the commercial cargo ship M/V Ocean Jade, to four years' probation and \$2.2 million in penalties for conspiring to falsify and falsifying environmental compliance records. Of the \$2.2 million that STX must pay, \$200,000 will go to the National Fish and Wildlife Foundation, which partners locally with the Pinellas County Environmental Fund (PCEF). PCEF has funded numerous wide-ranging projects related to the protection, restoration, and enhancement of fish and wildlife habitat in the Tampa Bay area.

The court also ordered STX to implement a detailed environmental compliance plan, including monitoring of its fleet-wide operations for the next four years, training for crew members, and engineering alterations to protect gulf and ocean waters.

\_\_\_\_\_ STX had pleaded guilty to four felony offenses on April 24, 2009, including conspiracy, falsifying records, and making false statements, all of which were committed by crew members aboard the M/V Ocean Jade from July to October 2008. Federal and international law requires that all ships comply with pollution regulations that include the

proper disposal of oily waste water and sludge by passing the oily waste through an oil-water separator aboard the vessel or burning the sludge in the ship's incinerator. Federal law requires the ship's crew to record accurately each transfer or disposal of oily waste water and sludge in the ship's oil record book. In addition, federal and international law also requires that ships record disposals of garbage in the vessel's garbage record book. Both record books must be available for inspection by the United States Coast Guard when the vessel is within the waters of the United States.

According to the various plea agreements filed in the case, in late July 2008, the Chief Engineer of the M/V Ocean Jade Hong Hak Kang ordered several crew members to dump approximately ten barrels containing oily waste water directly overboard into the ocean. Then, on September 27, 2008, Chief Officer Jeong Gyu Lee instructed several members of the deck department to dispose of oily waste water from the crane houses directly into the ocean using a flexible plastic hose that was draped over the side of the vessel. In addition, from August to October 2008, Chief Engineer Kang and another engineering officer made entries into the M/V Ocean Jade's oil record book by applying a pre-established formula, rather than recording the actual amounts of oily waste water and sludge transferred, burned, or discharged. When the ship arrived in the Port of Tampa on October 7, 2008, its officers presented false oil and garbage record books to United States Coast Guard investigators. Several crew members also provided investigators with false statements about the several dumping incidents that had occurred during the three months before the ship arrived in Tampa.

Chief Engineer Kang and Chief Officer Lee both pleaded guilty to felony offenses relating to their falsification of the M/V Ocean Jade's Oil Record Book. In April 2008,

Judge James Whittemore sentenced Lee to time served and three years' supervised release. Today Judge Richard Lazzara sentenced Kang to three years' probation and a \$1,500 fine.

U.S. Attorney A. Brian Albritton stated, "Keeping our ocean waters clean and free from pollution is extremely important. Those who recklessly foul our waters must pay a penalty and take measures to make sure it does not happen again."

"Dumping pollution directly overboard into the ocean and lying to investigators is unacceptable and will not be tolerated," said John C. Cruden, Acting Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "This sentence should make clear to the shipping industry that the Justice Department along with our federal partners will continue prosecute companies and crew members if they fail to abide by laws protecting the environment."

Special Agent In Charge Maureen O'Mara, United States Environmental Protection Agency, stated: "The defendants used the ocean as a dumping ground for waste oil and then tried to cover it up. The oceans must be protected and marine shipping companies and crew members that break the law will be prosecuted."

Captain Timothy Close, Commander of U.S. Coast Guard Sector St. Petersburg, issued the following statement: "This outcome sends a clear message that it doesn't pay to intentionally pollute and intentionally disregard international pollution prevention standards. The U.S. Coast Guard will pursue all such cases and will continue to work closely with the U.S. Attorney and the Department of Justice to prosecute offenders."

This case was investigated by the U.S. Coast Guard, Coast Guard Investigative Service, and the United States Environmental Protection Agency. It was prosecuted by

Cherie L. Krigsman, Assistant U.S. Attorney for the Middle District of Florida, Leslie E. Lehnert, Trial Attorney for the Justice Department's Environmental Crimes Section, and Lieutenant William George, U.S. Coast Guard.