

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
970 Broad Street, Seventh Floor  
Newark, New Jersey 07102

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***Christopher J. Christie, U.S. Attorney***

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***More Information?*** Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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Assistant U.S. Attorneys  
BRADLEY A. HARSCH  
973-645-2734

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## Maritime Corporations Indicted for Covering Up Oil Pollution

– Crew of M/T Clipper Trojan Dumped Oily Waste Overboard –

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(More)

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Greg Reinert, PAO  
Public Affairs Office

856-757-5233  
973-645-2888

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NEWARK – Three companies that own and operate an oceangoing chemical tanker named the *M/T Clipper Trojan* were indicted today in connection with an attempt by crew members to cover up the illegal dumping of oily waste in international waters, U.S. Attorney Christopher J. Christie announced.

An 11-count Indictment names Clipper Wonsild Tankers Holding A/S and Clipper Marine Services A/S, both of which are Danish companies that operate and manage the *M/T Clipper Trojan*, and Trojan Shipping Co. Ltd., a Bahamas company that is the registered owner of the *M/T Clipper Trojan*, as defendants. All three companies are part of The Clipper Group A/S, a global shipping consortium based in Denmark.

According to the Indictment, crew members of the tanker dumped oil sludge directly overboard on two occasions in May and June of 2006, and regularly dumped oil-contaminated bilge water overboard between March and June of 2006. Furthermore, crew members of the tanker attempted to prevent the U.S. Coast Guard from learning of the illegal discharges during an inspection of the ship at Port Newark on June 15, 2006.

Engine room operations on board large oceangoing vessels such as the *M/T Clipper Trojan* generate large amounts of waste oil. International and U.S. law prohibit the discharge of waste oil without treatment by an Oily Water Separator. It is also required that all overboard discharges be recorded in an Oil Record Book, a required log which is regularly inspected by the Coast Guard.

According to the Indictment, the ship's Chief Engineer failed to record discharges in the ship's Oil Record Book and included false entries in the book that were intended to mislead the Coast Guard. The Chief Engineer presented the false Oil Record Book to the Coast Guard during the Coast Guard's inspection. According to the Indictment, the Chief Engineer made several false statements to Coast Guard inspectors and encouraged other crew members to lie to the Coast Guard as well.

The Indictment alleges that the crew members acted as agents for the three corporate defendants in attempting to cover up the illegal discharges of oily waste. It also alleges that the three companies failed to provide sufficient training to the crew and failed to diligently enforce company policies concerning the handling of oily waste. The Indictment further alleges that the companies caused some crew members to execute affidavits falsely stating that the crew members had received briefings on the MARPOL Protocol, an international treaty regulating the handling and disposal of oil waste at sea, and U.S. laws concerning oil pollution.

On Feb. 2, 2007, Fernando Magnaye, 45, of Quezon City, Philippines, who was the Chief Engineer on the *M/T Clipper Trojan*, pleaded guilty to charges of presenting a false

document to the Coast Guard and attempting to obstruct a Coast Guard inspection. During his plea hearing before U.S. District Judge Mary L. Cooper, in Trenton, Magnaye admitted that he knew about illegal discharges of oil sludge and contaminated bilge waste but nonetheless failed to record those discharges in the *M/T Clipper Trojan's* Oil Record Book. Magnaye also admitted that he presented the false Oil Record Book to the Coast Guard and falsely claimed to Coast Guard inspectors that the book was accurate. Mangaye further admitted that he asked the ship's Fourth Engineer to fabricate a pipe that would ensure that the Coast Guard would take a false reading of the contents of the ship's Bilge Sludge Oil Tank, in which oily waste was stored.

The Indictment charges each of the companies with one count of conspiracy, one count of violation of the MARPOL Protocol, one count of making and using materially false writings and documents, seven counts of obstruction of justice and one count of concealment of a tangible object to obstruct an investigation.

If convicted, the companies face statutory maximum fines of \$500,000 on each count or, alternatively, twice the amount of any gain to the corporations that inured as a result of the criminal conduct.

Christie credited Special Agents of the U.S. Coast Guard Investigative Service, under the direction of Special Agent in Charge Eric J. O'Hearn, and Marine Inspectors and Investigators from the Coast Guard Sector New York, under the direction of Capt. Robert O'Brien, with the investigation. The Coast Guard's investigation was guided by the Coast Guard Inspections Office of the Prevention Division and the Legal Office of the U.S. First Coast Guard District.

The government is represented by Assistant U.S. Attorney Bradley A. Harsch of the Criminal Division in Newark and H. Claire Whitney, Senior Counsel of the U.S. Department of Justice Environmental Crimes Section.

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Defense Counsel:

Thomas M. Russo, Esq. and Michael Fernandez, Esq., New York