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**OIL REFINERY VICE-PRESIDENT PLEADS GUILTY
TO AIR POLLUTION CAUSING NEGLIGENT ENDANGERMENT**

LAFAYETTE, LA.: United States Attorney Stephanie A. Finley announced today that the vice-president and general manager of the Pelican Refinery in Lake Charles, La., pleaded guilty to federal negligent endangerment charges under the Clean Air Act before U.S. District Judge Richard T. Haik in Lafayette, La.

Byron Hamilton, 66, oversaw operations at the Lake Charles refinery since 2005 from an office in Houston. According to the charges filed in federal court, Hamilton negligently caused the release of hazardous air pollutants, including hydrogen sulfide, an extremely hazardous substance into the air which placed persons in imminent danger of death and serious bodily injury.

The federal investigation was initiated after a March 2006 inspection by the Louisiana Department of Environmental Quality and EPA when inspectors found unsafe operating conditions, including unpermitted releases of hydrogen sulfide, storage of crude oil in unrepaired storage tanks, failure to repair emissions monitoring and control equipment, and the use of plastic children's swimming pools to contain petroleum leaks.

In pleading guilty, Hamilton acknowledged that his negligence in overseeing operations at the refinery was a proximate cause of the releases and associated risks. Hamilton faces up to one year in prison and a \$200,000 fine for each of the two Clean Air Act counts.

According to a joint factual statement filed in federal court:

- The company that Hamilton managed had no company budget, no environmental department and no environmental manager;
- In order to comply with a permit issued under the Clean Air Act, the refinery was required to use certain key pollution prevention equipment, but that equipment was either not functioning, poorly maintained, improperly installed, improperly placed into service and/or improperly calibrated, such that there were releases of pollutants into the atmosphere and at the refinery;

- It was a routine practice for over a year to use a signal flare gun purchased at Walmart to re-light the process flare at the refinery which was designed to burn off toxic gasses and provide for the safe combustion of potentially explosive chemicals because the pilot light was not functioning properly;
- Sour crude oil was stored in a tank that was not properly placed into service and remained in the tank after the roof sank;
- A caustic scrubber designed to remove hydrogen sulfide from emissions was bypassed; and
- A continuous emission monitoring system (CEMS) designed to measure hydrogen sulfide levels in emissions was not working properly.

In 2005 and 2006, the Pelican refinery processed “sour” crude supplied by its owners that had high concentrations of hydrogen sulfide (H²S), a highly toxic and flammable gas inherent to sour crude oil refining. H²S is classified as an “extremely hazardous substance.” It has a characteristic odor of “rotten eggs” at low concentrations. Refinery workers reported smelling H²S as well as having their personal H²S monitors “go off” from time-to-time. Pelican Refining Company had no procedure to record, track, report or mitigate H²S releases. At higher concentrations H²S paralyzes the sense of smell so that its odor is no longer perceived and can result in death.

The government’s investigation of the Pelican Refinery is continuing. Under the Crime Victims’ Rights Act, crime victims are afforded certain statutory rights including the opportunity to attend all public hearings and provide input to the prosecution. Any person adversely impacted is encouraged to visit <http://www.justice.gov/usao/law/vicwit/index.html> to learn more about the Crime Victims’ Rights Act or you may contact Vicki Chance, the Victim Witness Coordinator for the Western District of Louisiana U.S. Attorney’s Office, at 318-676-3600.

The investigation is ongoing and is being conducted by the EPA Criminal Investigation Division in Baton Rouge and the Louisiana State Police, with assistance from the Louisiana Department of Environmental Quality. The case is being prosecuted by U.S. Attorney Stephanie Finley and federal environmental prosecutors Richard A. Udell, Christopher Hale and Rocky Piaggione of the Environmental Crimes Section of the Environment and Natural Resources Division of the U.S. Department of Justice.

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