



Department of Justice

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SHIP OPERATOR PLEADS GUILTY TO CONCEALING VESSEL POLLUTION

Sentenced to Pay \$1.7 Million Criminal Fine

WASHINGTON—PACCSHIP, the operator and manager of approximately ten ships that regularly carry goods between Asia and ports in the United States, pleaded guilty today and was sentenced to pay a \$1.7 million fine for crimes related to improper transfers and discharges of oil-contaminated waste from two of its ships, announced Ronald J. Tenpas, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division and George E. B. Holding, U.S. Attorney for the Eastern District of North Carolina.

Specifically, PACCSHIP pleaded guilty to obstructing justice and for using falsified records that concealed improper transfers and discharges of oil-contaminated waste. The company was also sentenced to serve a four-year term of probation during which it must implement and follow a stringent environmental compliance program that includes a court-appointed monitor and outside independent auditing of its ships.

The government's investigation began on April 11, 2006, when inspectors from the U.S. Coast Guard boarded the M/V PAC ANTARES, operated and managed by PACCSHIP, following the ship's arrival in Morehead City, N.C. The inspection uncovered evidence that crewmembers aboard the ship had improperly handled and disposed of the ship's oil-contaminated waste and falsified entries in the ship's official Oil Record Book to conceal these activities. During the inspection, crewmembers lied to Coast Guard inspectors in an attempt to obstruct the investigation.

The ship's Second Engineer pleaded guilty on May 7, 2007, in the Eastern District of North Carolina to making and causing the making of materially false statements in the ship's Oil Record Book relating to management of oil-contaminated waste aboard the ship.

On Nov. 5, 2006, inspectors from the Coast Guard, boarded the M/V PAC ALTAIR, another ship operated and managed by PACCSHIP, again in Morehead City. The inspection again uncovered evidence that crewmembers aboard the ship had improperly handled and disposed of the ship's oil-contaminated waste and falsified entries in the ship's official Oil Record Book to conceal their activities.

The ship's Chief Engineer pleaded guilty on Dec. 7, 2007 in the Eastern District of North Carolina to making materially false statements in the ship's Oil Record Book concerning the management of oil-contaminated waste aboard the ship.

Engine room operations on board large oceangoing vessels such as the M/V PAC ANTARES and M/V PAC ALTAIR generate large amounts of waste oil and oil-contaminated bilge waste. International and U.S. law prohibit the discharge of waste containing more than 15 parts per million of oil and without treatment by an oily water separator—a required pollution prevention device. Law also requires all overboard discharges be recorded in an Oil Record Book, a required log which is regularly inspected by the Coast Guard.

“The United State Attorney's Office for the Eastern District of North Carolina takes seriously its obligation to protect North Carolina's natural resources and the environment. The illegal discharge of oil from commercial ships impacts our health, our coastal waters, the international waters, and marine life. For these reasons, we will continue to work with law enforcement agencies to ensure compliance with our nation's environmental laws and to protect our marine environment,” stated Mr. Holding.

This case was investigated by the U.S. Coast Guard Criminal Investigative Service and prosecuted by the U.S. Attorney's office for the Eastern District of North Carolina and the Department of Justice Environmental Crimes Section. The case was initiated by the Marine Inspectors and Marine Investigators from U.S. Coast Guard Marine Safety Unit-Atlantic Beach, N.C.

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