



The United States Department of Justice
United States Attorney's Office
Western District of Louisiana

For Immediate Release

www.justice.gov/usao/law

September 7, 2011

Stephanie A. Finley
United States Attorney
(337) 262-6618
mona.hardwick@usdoj.gov

**TEXAS OIL COMPANY OPERATING A REFINERY IN LAKE
CHARLES, LA CHARGED WITH CRIMINAL VIOLATIONS
OF THE CLEAN AIR ACT**

LAKE CHARLES, LA.: United States Attorney Stephanie A. Finley and Ignacia S. Moreno, Assistant Attorney General for the U.S. Justice Department's Environment and Resources Division, today announced the filing of a three-count Bill of Information charging Pelican Refining Company, LLC, with felony violations of the Clean Air Act and obstruction of justice.

The Information alleges between approximately August 1, 2005, through March 1, 2007, Pelican Refining Company, LLC, headquartered in Houston, TX, knowingly violated its permit issued under the Clean Air Act to operate the Pelican Refinery in Lake Charles, LA and that the company obstructed justice by filing a false report with the Louisiana Department of Environmental Quality.

The Information charges that Pelican operated without following various permit requirements for properly preventing the escape of pollutants, including Hydrogen Sulfide (H₂S) into the environment. The alleged knowing violations include operating the refinery in Lake Charles, LA:

- Without assuring that a crude oil storage tank that had a failed floating roof had properly been placed into service and then used;
- Without the use of a non-regenerable carbon bed designed to collect and reduce emissions at the barge loading dock;
- Without the use of caustic to treat and remove non-condensable toxic pollutants, including H₂S;
- Without the use a continuous emissions monitoring system to continuously monitor H₂S concentrations;
- Without a properly-functioning process flare at all times when emissions, including H₂S, could be discharged into the atmosphere.

If convicted, the maximum penalty that the company faces for these knowing violations is the higher of \$500,000 per count or up to twice the gross gain or loss to persons from the offense. An Information represents allegations that must be proved by the government beyond a reasonable doubt.

The federal investigation was initiated after a March 2006 inspection by the Louisiana Department of Environmental Quality and EPA found violations of the facility's operating conditions, including unpermitted releases of H₂S, storage of crude oil in an unrepaired storage tanks, failure to repair emissions monitoring and control equipment, and the use of plastic children's swimming pools to contain petroleum leaks.

On July 6, 2011, Byron Hamilton, a Pelican Vice President, pleaded guilty of negligent endangerment charges under the Clean Air Act before U.S. District Judge Richard T. Haik in Lafayette, Louisiana. [<http://www.justice.gov/opa/pr/2011/July/11-enrd-885.html>].

The government's investigation of the Pelican Refinery Company is ongoing. 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.**

This investigation 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 Richard A. Udell and Christopher Hale, Trial Attorneys with the Department of Justice Environmental Crimes Section.

#