

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA * CRIMINAL NO. 24-74

v. * SECTION: G

PRIVE OVERSEAS MARINE, LLC, *
and *
PRIVE SHIPPING DENIZCILIK *
TICARET, A.S. *

* * *

FACTUAL BASIS

The United States of America, by and through the United States Attorney for the Eastern District of Louisiana and the Environmental Crimes Section of the United States Department of Justice (collectively referred to herein as “the United States” or “the Government”), and Defendants Prive Overseas Marine, LLC (“Prive Overseas Marine”), and Prive Shipping Denizcilik Ticaret, A.S. (“Prive Shipping”) (collectively “Defendants”), hereby agree that this Joint Factual Statement is a true and accurate statement of the Defendants’ criminal conduct and that it provides a sufficient basis for the Defendants’ pleas of guilty to Counts One through Four of the Criminal Bill of Information.

I. The Defendants

Defendants Prive Overseas Marine and Prive Shipping were each involved in the operation of the Motor Tanker (“M/T”) *P.S. Dream* (“*PS Dream*”). The *PS Dream* is a 2006-built chemical tanker of 30,092 gross tons and is approximately 600 feet in length. The vessel

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has a unique International Maritime Organization number of 9358307 and a call sign of 3FKE2. The *PS Dream* was registered in Panama and engaged in trade in the United States.

At the time of the events giving rise to its criminal culpability, Defendant Prive Shipping, a Turkey-domiciled company based in Istanbul, was the registered operator of the *PS Dream* holding the required Document of Compliance necessary to engage in international commerce. The *PS Dream* was then part of a fleet of approximately three ocean-going vessels operated by Prive Shipping, which in turn was a subsidiary of Prive Holding. Prior to the events in question, Prive Holding and its owners had begun a transition to create a new entity to operate the fleet. At the time of the criminal conduct, certain members of the crew, including the Master (Captain) and others involved in criminal conduct, were employed by Prive Overseas Marine, another subsidiary of Prive Holding based in Dubai, United Arab Emirates. The technical management and operation of the vessels in the Prive fleet were transferred from Prive Shipping to Prive Overseas Marine during the pendency of the criminal investigation without notice to the United States. This transfer of technical management and operation of the vessels commenced prior to the criminal investigation but was not disclosed to the U.S. Coast Guard when Prive Shipping negotiated with the Coast Guard for the return of the ship. Prive Overseas Marine is a successor entity to Prive Shipping and now operates the vessels, employs the crew, and conducts the business previously carried out by Prive Shipping.

The Prive fleet including the *PS Dream* was chartered by a different subsidiary of Prive Holding that acted as the disponent owner of the vessel, a maritime term meaning that it had control of the vessel that was ultimately owned by absentee owners. The deck department of the *PS Dream* included a Master, Chief Officer, Second Officer, Third Officer, Bosun, Able

Bodied Seamen, and Cadets. The ship also had an engineering department that included a Chief Engineer, other subordinate engineers, and other crew. The Master of the ship and other officers reported to shoreside personnel including the Designated Person Ashore (“DPA”), who was responsible for monitoring the safety and pollution prevention of the ship and for ensuring that the vessel was provided adequate resources and shore-based support, as well as Technical Superintendent responsible for engineering and technical matters.

II. Background

A. MARPOL and the Act to Prevent Pollution from Ships

The United States is part of an international regime that regulates discharges of oil from vessels at sea known as the International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978 (“MARPOL”). MARPOL was enacted into United States law by the Act to Prevent Pollution from Ships (“APPS”), 33 U.S.C. § 1901, *et seq.* The regulations promulgated under APPS apply in part to all commercial vessels over 150 gross tons that carry oil in bulk as cargo while operating in United States waters, or while at a port or terminal under the jurisdiction of the United States, including vessels operating under the authority of a country other than the United States. 33 C.F.R. § 151.09(a)(5); 33 C.F.R. § 157.01.

B. Discharges and Disposal of Oil-Contaminated Waste

On large tank vessels such as the *PS Dream*, the disposal of oil-contaminated waste is highly regulated, and such waste may not be discharged overboard except as permitted by MARPOL Annex I. Those regulations include stringent limits on the quantity of the oil that may be discharged and requirements about the processing by pollution prevention equipment and monitoring to determine the oil content.

Waste from cargo tanks and slop tanks in the deck department must be discharged through oil discharge monitoring equipment ("ODME"), a device designed to measure and limit the amount of oil discharged overboard.¹ Engine room waste, including oil-contaminated bilge water that collects in the bottom of the vessel, may only be discharged overboard with the use of an oily water separator ("OWS") and oil content monitor ("OCM") that similarly measure and limit the discharge of oil.²

¹ Pursuant to MARPOL Annex I, Regulation 34, in order to properly discharge the contents of a slop tank containing oil, the ship must be more than 50 nautical miles from the nearest land; proceeding *en route*; the rate of oil content in the discharge must not exceed 30 liters per nautical mile at any time during the discharge operation; the total quantity of oil discharged must not exceed 1/30,000 of the total quantity of cargo previously carried; the point of discharge must be visible from the ship; the ship must have in operation ODME, designed to ensure the mixture being discharged is in compliance; and the ship must be outside the "Special Areas" defined in MARPOL. The only other option for disposal of oil cargo residue is to transfer it ashore for processing. Consistent with MARPOL and the APPS regulations, a tank vessel of 150 gross tons and above must have in operation an ODME, that functions effectively and automatically under all environmental conditions normally encountered by tankers such that the discharge of oil-contaminated water from the cargo tank areas cannot take place unless the monitoring system (ODME) is in the normal operating mode. 33 C.F.R. § 157.12d(a). The monitoring system must be comprised of: an oil content meter "to measure the oil content of the effluent"; a "flow rate indicating system" (or "flow meter") to measure the rate of effluent being discharged; a "ship's speed indicating device"; a "ship position indicating device"; a sampling system to convey a representative sample of the effluent to the oil content meter; an "overboard discharge control" to stop the discharge; an "interlock" to prevent the discharge overboard of any effluent unless the system is fully operational; and, a control system that processes the information. 33 C.F.R. § 157.12d(a)(4). The APPS regulations provide for manually operated alternatives in the event of equipment malfunction, to include failure of the flow meter, and the APPS regulations require the activation of audio-visual alarms whenever the instantaneous rate of discharge of oil exceeds 30 liters per nautical mile. 33 C.F.R. § 157.12d(j), (k). The discharge monitoring system may be operated manually only if the automatic system fails during a ballast voyage; the failure is recorded in the Oil Record Book; the Master of the vessel ensures the discharge is constantly monitored visually and promptly terminated when oil is detected in the discharge; and the system is operated manually only until the ballast voyage is completed. 33 C.F.R. § 157.37(a)(6).

² During normal operation, large vessels routinely generate oil-contaminated waste known as "oily bilge water" in the bottommost spaces of the ship known as the bilges. "Oily bilge water is defined as water which may be contaminated by oil resulting from things such as leakage or maintenance work in machinery spaces." 33 C.F.R. § 151.05. Any liquid entering the bilge system, including bilge wells, bilge piping, tank top or bilge holding tanks, is considered oily bilge water. 33 C.F.R. § 151.05. This "oily bilge water," which is often referred to as "machinery space water," is collected, stored, and processed to separate water from

An additional oily waste stream routinely generated onboard large commercial vessels such as the *PS Dream* is sludge. The primary source of sludge is the regular and routine purification of fuel and lubrication oils that are used by the main propulsion engine and the electricity generator engines. Pursuant to MARPOL and APPS, sludge can only be disposed of by either: (1) burning the sludge in an incinerator; or (2) discharging the sludge ashore to a waste reception facility.

C. Oil Record Books

Consistent with the requirements contained in MARPOL Annex I, the APPS regulations require that each tank vessel of more than 150 gross tons maintain a record known as an Oil Record Book ("ORB") Part 1 and ORB Part 2. In the ORB Part I, transfers of oil, the disposal of sludge and waste oil, and overboard discharges or disposal otherwise of bilge water that has accumulated in machinery spaces, must be fully and accurately recorded by the person or persons in charge of the operations. 33 C.F.R. § 151.25(a) and (d); MARPOL Annex I Regulation 17. All discharges of water from slop tanks, disposal of oil residue, and any failure of the oil discharge monitoring and control system along with the reasons for the failure must be recorded. 33 C.F.R. § 151.25(a) and (c); MARPOL Annex I Regulation 36. Each completed page of the ORB Parts 1 and 2 shall

the oil and other wastes using a pollution prevention control device known as an OWS, and an oil-sensing device known as an OCM. In order to maintain bilge wastes at safe levels, the bilges must periodically be emptied in one of two ways: (1) discharged ashore to a waste reception facility; or (2) pumped over the side of the ship after being processed through a properly functioning OWS. Pursuant to MARPOL and APPS, machinery space bilge water may be discharged overboard into the ocean only if it contains 15 parts per million ("ppm") or less concentration of oil. 33 C.F.R. § 151.10. If the OCM detects an oil content of greater than 15 ppm as measured by the opacity of the effluent, then it sounds an alarm, shuts down the pumps, and/or diverts flow back to the bilges in order to prevent the discharge into the sea of oil in an amount greater than 15 ppm. The design of this system is regulated by MARPOL. MARPOL and the regulations promulgated under APPS prohibit any dilution of the sample that flows through the OCM.

be signed by the Master or other person having charge of the ship. 33 C.F.R. § 151.25(h); MARPOL Annex I Regulations 17.4 and 36.5.

The ORB Part 2 contains a record of the accumulation, storage, treatment and disposal of cargo tank waste and oily waste generated by the cargo tanks and deck activities, including the waste generated by tank cleaning. This includes any oil-contaminated water disposed overboard or to shoreside reception facilities. Internal transfers of oily waste from tank to tank, including from the engine room to the Residual Oil Tank located on the deck of the ship must be recorded in both ORBs.

The ORB Parts 1 and 2 must also contain entries concerning any emergency, accidental, or other exceptional discharges of oil or oily mixtures, including a statement of the circumstances of, and the reasons for, the discharge. 33 C.F.R. § 151.25(g); MARPOL Regulations 17.3; 36.4. The Oil Record Book must be maintained onboard the vessel for at least three years and be readily available for inspection at all reasonable times. 33 C.F.R. § 151.25(i), (k); MARPOL Regulations 17.6 and 36.7.





APPS made it a crime for a person to knowingly violate MARPOL, the provisions of APPS, or the U.S. regulations implementing MARPOL. 33 U.S.C. §§ 1907(a), 1908(a). For the purpose of MARPOL Annex I and Annex II, APPS and the regulations promulgated thereunder apply to foreign flag vessels while in the navigable waters of the United States. 33 U.S.C. § 1902. Regardless of the location of discharges, commercial vessels entering U.S. waters must have a fully maintained and accurate ORB available for inspection. The knowing failure to fully maintain an accurate ORB constitutes a criminal violation of APPS. The *PS Dream* also had a cargo record

book containing entries regarding the storage, transfer and disposal of non-oil cargoes such as those regulated by MARPOL Annex II.

The Coast Guard, an agency of the United States Department of Homeland Security, is charged with enforcing the laws of the United States and is empowered under 14 U.S.C. § 522(a) to board vessels and conduct inspections and investigations of potential violations of international and United States law, including MARPOL and APPS. In conducting inspections, commonly known as Port State Control (“PSC”) examinations, Coast Guard personnel rely on the statements of the vessel’s crew and documents, including information contained in the ORB and other records. The Coast Guard is specifically authorized to examine a vessel’s ORBs to determine, among other things, whether the vessel has operable pollution prevention equipment and appropriate operating procedures; whether it poses any danger to United States’ ports and waters; and whether the vessel has discharged any oil or oily mixture in violation of MARPOL, APPS, or any applicable federal regulations. 33 C.F.R. § 151.23(a)(3) and (c).

III. *PS Dream Visit to New Orleans*

In January 2023, the *PS Dream* was bound for New Orleans with cargo from Malaysia. Prive’s shore-based managers and ship officers knew that the ship would be inspected by the Coast Guard upon its arrival. In particular, the vessel was due for a certificate of compliance exam necessary for it to conduct business in America. In addition to the Coast Guard inspection, the Defendants and crew also knew the ship would be inspected by an independent marine surveyor to conduct a “SIRE” inspection on behalf of the companies that hired the ship to safely transport cargo. The crew embarked on a long list of tasks, including the pumping out of the Residual Oil Tank which contained oil-contaminated waste.

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A. Whistleblower Allegations

On or about January 11, 2023, the Coast Guard received an email from a crew member of the *PS Dream* (“Whistleblower #1”) alleging that the vessel he worked on was “doing bad things pumping to ocean maybe 1000 tonnage [sic] fuel oil and unknown chemical.” Whistleblower #1 identified himself and the vessel and sent video and still images from video of alleged misconduct aboard the ship. The images show a portable pump inside the Residual Oil Tank on the deck of the ship with a long yellow hose coming out of the manhole tank lid and going across the top of the deck and then over the side of the ship. The video evidence includes a recording showing pumping the contents of the Residual Oil Tank through a flexible yellow hose that can be seen hanging over the side of the ship and into the sea while it was underway. Video evidence of the discharges as recorded by Whistleblower #1 show visible oil slicks emanating from the *PS Dream* and staining the surface of the ocean on or about January 11 and 17, 2023.

After the discharge was complete and prior to arrival in New Orleans, Whistleblower #1 told Whistleblower #2, that he had contacted the Coast Guard. Whistleblower #2 decided to participate in reporting the violations as well. Whistleblower #2 was one of the crew members ordered to discharge the oily waste from the Residual Oil Tank overboard.

On January 26, 2023, upon the ship’s arrival in the United States, the Coast Guard in New Orleans conducted a port state control exam and certificate of compliance inspection of the *PS Dream*. The ship was located at Magnolia Anchorage on the Mississippi River within the internal waters of the United States. Both whistleblowers identified themselves to the Coast Guard and asked to immediately disembark, expressing fear for their physical safety once it became known that they had reported the violations.

B. Deliberate Discharge and Knowing Falsification of the Oil Record Book

In pleading guilty, Defendants admit that, by and through their agents and employees operating within the scope of their employment and for the benefit of the defendants, they deliberately violated MARPOL Annex I by discharging and causing the discharge of oil-contaminated waste from the *PS Dream* into the Atlantic Ocean. The overboard discharges were made with the knowledge and direction of the Master and Chief Officer, the two most senior officers in the deck department. The discharges were made from the Residual Oil Tank, a 100 cubic meter capacity deck tank, into the ocean using a portable pump and a flexible yellow hose during daylight hours. The ODME, OWS, and other pollution prevention equipment were not employed to monitor or limit the discharge of oil into the marine environment.

The overboard discharges from the Residual Oil Tank began on or about January 11, 2023. Pumping occurred during the day (approximately 8 hours per day) for approximately 3 days. On or about January 17, 2023, and at the direction of the Master, the discharges resumed after seawater was added to the tank for the purpose of removing visible oil and sludge inside the tank.

On or about January 11-12, 2023, the Chief Officer texted the Master a photograph of the yellow hose going overboard from the Residual Oil Tank. The Master inquired when it would be complete and also stated the tank should be cleaned afterwards. The Chief Officer confirmed: "After finish discharging Residue, we are going to clean." The Master responded with a thumb's up emoji. The Chief Officer and other crew members knew oil was in the Residual Oil Tank. They could smell the vapors and also see oil on the surface of the ocean after being discharged overboard. The discharge operation, including the yellow hose running from the manhole of the

Residual Oil Tank across the deck, was visible from the bridge of the ship which overlooks the deck.

Prior to the ship's arrival in New Orleans, the Master informed the DPA and Technical Superintendent at Prive Shipping in Turkey of the discharges and cleaning of the Residual Oil Tank. A Daily Work Report dated January 11, 2023 was sent on or about January 16, 2023, from the Master of the *PS Dream* to the DPA and the Technical Superintendent of Prive Shipping, who also served as the alternate DPA. This Daily Work Report was sent to a general mailbox at Prive Shipping (whose entire staff was approximately 6 individuals) and included a photograph looking down into the Residual Oil Tank and showing the portable pump and flexible yellow hose, and stating:

“Opened manhole of the residue tank and cofferdam to check any residue. Found approx. %20 residue in residue tank. It will be discharged and cleaned in convenient time.”

After being informed that the crew was unable to pump out all of the contents due to the presence of visible oil inside the Residual Oil Tank, the Master directed the crew to use the ship's large capacity firehose to pump seawater into the tank in order to clean it and to then discharge the resulting wastewater overboard, also in violation of MARPOL. These discharges started on or about January 17, 2022 and utilized the same portable pump and flexible yellow hose. Video evidence shows the flexible yellow hose going over the side discharging oil that was readily visible in the ship's wake. Also, on or about January 17, 2023, the Prive DPA sent the Master of the *PS Dream* an email thanking him for the group of work reports that included the report dated January 11, 2023, and specifically acknowledging the proposed cleaning of the Residual Oil Tank. The Daily Work Report for the next day, January 18, 2023, stated: “Residue tank was cleaned and

secured manhole.” This was also sent to the DPA and the Technical Superintendent with Prive Shipping after the discharges occurred and prior to the ship’s arrival in New Orleans.





On or about January 23, 2023, a Daily Work Report dated January 17, 2023, was sent from the ship to the DPA and the Technical Superintendent at Prive Shipping stating: “Residue tank was roughly cleaned and discharged to sea.” It again included photograph showing the portable pump and yellow hose inside the tank. On or about January 24, 2023, and prior to the ship’s arrival in New Orleans, the DPA at Prive Shipping in Turkey telephoned the Master and discussed the fact that the photos appeared to show visible oil inside the tank.

The January 2023 discharges of oil-contaminated waste were not recorded in the *PS Dream*’s ORBs as Defendants knew was required. The omission in the required log was deliberate and part of a scheme to conceal the fact that the ship was engaged in illegal conduct. As is customary, the ORBs Part I and II, as well as a cargo record book, were examined by the Coast Guard in New Orleans. At the time these logs were presented to the Coast Guard, Defendants knew, by and through their agents and employees operating within the scope of their employment, and for the benefit of the defendants, that the logs had not been fully maintained and that they were false and misleading because they did not disclose the overboard discharges that had occurred. The ship officers denied that the unrecorded discharges had occurred.

Based upon entries in the Oil Record Books of the *PS Dream*, “sludge” generated during engine room operations had been transferred from the engine room into the Residual Oil Tank on the deck of the *PS Dream* in late 2021. This operation was not permissible, given the ship’s design and certification as stated in its International Oil Pollution Prevention (“IOPP”) certificate. An IOPP certificate is a required document issued to each ship after an independent marine surveyor

has inspected it and found it to have the required oil pollution prevention equipment required by MARPOL. The IOPP certificate gives details of all oily water separation and filtering equipment and also the associated monitoring equipment required. In this case, it shows no possible internal pumps and piping, let alone filtration and monitoring system, that could transfer waste from the engine room to the residual oil tank. Such an operation would have had to be done manually, such as using portable pumps and flexible hoses. Because the ship was not authorized by its IOPP certificate to transfer and dispose of waste in this manner, it violated MARPOL unless a request was made and permission granted by the flag state (which did not occur). The transfers from the engine room to the Residual Oil Tank were recorded in the ORBs Part 1 and 2. The entries show that a total of 35.21m³ (cubic meters) (roughly 9,301 gallons) of "sludge" was pumped into the Residual Oil Tank from various engine room locations, including the engine room sludge tank, fuel oil drain tank, oily bilge tank, and main engine scavenger air box drain tank. A subsequent ORB entry claims that 58.11m³ was subsequently discharged to barge when the ship was at an anchorage in Turkey, along with 74.89m³ oily water produced by washing the tank for approximately one hour. Prior to the ship's arrival in New Orleans, the Master sent these entries to the DPA in Turkey and discussed with him that these internal transfers of sludge were not permitted by the IOPP certificate.

Whether or not some of the sludge had been removed in Turkey, the tank remained contaminated with black oil. This fact, along with the fact that the IOPP certificate did not allow transfers of oily waste into the Residual Oil Tank, was known to the DPA and Technical Superintendent as indicated in WhatsApp communications between them and the Master of the *PS Dream*, which occurred during the Coast Guard inspection.

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In a string of WhatsApp text messages, the DPA expressed interest in knowing what was happening during the Coast Guard inspection in real time. The Master told the DPA that “right now they are focusing only on the residue tank.” The Master commented that the Coast Guard was looking at the IOPP certificate and “examining the section that I mentioned to you earlier.” The DPA asked “is it marked or not?” The Master responded that what he and the DPA had previously discussed had not been marked. The DPA next asked if the Coast Guard was focused on the ORB. The Master responded that the inspectors had not examined it yet, but they had the residue tank opened and there was “sludge on the floor.” The DPA stated that the residue tank had been cleaned according to the reports he had seen and that he wondered if there were some water left inside. The Master explained: “We pumped water into it. We cleaned it a little bit but we couldn’t take out the blackness on the floor.” At this point the Technical Superintendent commented: “There were remainders of old cargo in that tank. It could not be completely cleaned.” He further acknowledged that when the ship was last in the shipyard, the tank could not be fully cleaned.

During the Coast Guard inspection, the DPA and Technical Superintendent texted back and forth with the Master about the record of pumping engine room waste into the Residual Oil Tank and the disposal of that waste to a barge for which there should be a receipt. When the Master suggested looking for the receipt and informing the Coast Guard that there had been a disposal operation at a prior point in time, the Technical Superintendent stated “maybe we shouldn’t dig into this until they ask for it.” Defendants understood that revealing that engine room sludge had been pumped to a barge would call attention to other records showing that engine room sludge had been improperly transferred into the Residual Oil Tank in the first place. The DPA asked “are they suspecting there has been [an] operation done.” The Chief Officer, who then had the Master’s

phone, responded “Yes. They asked for diagram for the residue [tank] to look how an operation could be done and they returned to look at it.”

During the course of the WhatsApp text exchange, the DPA stated that the Coast Guard was “stuck on this topic too much. We have to talk this situation before it goes to a bad place.” The Technical Superintendent responded: “Let’s behave calmly. We have no problem right now except this ambiguous record.” The manager in charge of crewing the vessels added that he had “complete belief” that “we will pass through this without any problem with God’s permission.”

In pleading guilty to Count 1, Defendants admit that, by and through their agents and employees operating within the scope of their employment and for the benefit of the Defendants, the Defendants knowingly failed to maintain accurate Oil Record Books in which all discharges had been fully and accurately recorded while the *PS Dream* was in U.S. waters. Specifically, on or about January 26, 2023, Defendants entered U.S. ports and waters and presented the ship’s ORBs to the Coast Guard knowing that they failed to record deliberate violations of MARPOL, including exceptional discharges and disposals otherwise (i.e., the overboard discharge of oil-contaminated waste from the Residual Oil Tank) made without the use of a properly functioning pollution prevention equipment as required by MARPOL.

IV. Obstruction of Justice and Conspiracy

Defendants’ overboard discharge and failure to maintain an accurate ORB not only violated MARPOL and APPS, this conduct and other misconduct occurring during the Coast Guard inspection obstructed justice.

In pleading guilty, Defendants admit that, by and through their agents and employees operating within the scope of their employment and for the benefit of the Defendants, the





Defendants knowingly failed to maintain an accurate ORB as required by MARPOL and U.S. law for the purpose of concealing the unlawful discharges and obstructing the Coast Guard's inspection. Had the Coast Guard known the truth – i.e., that engine room sludge had been improperly transferred to the deck department and Residual Oil Tank and that oil-contaminated waste was discharged overboard without required pollution prevention equipment and falsification of the ORBs – it could have taken various actions including detaining the ship, refusing to allow it to trade in U.S. ports and waters, requiring external audits, requiring the replacement of the crew, and reporting it to the flag state and/or the International Maritime Organization. The failure to accurately maintain the ORBs was designed to obstruct the agency's inspection and conceal Defendants' misconduct, in violation of 18 U.S.C. § 1505 (obstruction of an agency proceeding) and 18 U.S.C. § 1519 (concealment and false entries in a document with the intent to impede, obstruct, or influence the proper administration of a matter). Knowing of its falsity, Defendants, by and through their agents and employees operating within the scope of their employment and for the benefit of the Defendants, presented and caused the presentation of the false ORBs to the Coast Guard during the inspection. The implicit and explicit plan and agreement to conceal illegal conduct from the Coast Guard was also part of a conspiracy in violation of 18 U.S.C. § 371 (conspiracy).

As they toured the deck area, Coast Guard inspectors, accompanied by the Chief Officer, found the portable pump and yellow hose seen in the photos sent by Whistleblower #1. An oily liquid substance was visible in the hose on the discharge side of the pump. The Coast Guard also observed that the bolts on the manhole of the Residual Oil Tank indicated recent use. In response to questions, the Chief Officer stated that nothing was in the tank. The Coast Guard directed the

crew to open the manhole cover, at which point their hydrogen sulfide ("H₂S") monitors alarmed. H₂S is a flammable and extremely hazardous gas associated with petroleum. After the vapors dissipated, the Coast Guard directed the crew to take a sample of the liquid in the tank by lowering a cup into the tank with a rope. Oil was visible in the liquid removed from the tank and on the exterior of the cup. Subsequent analysis by the Coast Guard's oil identification laboratory confirmed the presence of fuel oil and lubricating oil in the residual oil tank. Similar kinds of oil were also found in the portable pump and yellow hose. These types of oil are characteristic of oily waste typically found in the machinery spaces of the engine room. The crew denied knowing that there was oil in the tank and claimed that there was no way to transfer oily waste from the engine room below into the Residual Oil Tank on the deck of the ship.

The Coast Guard also interviewed certain members of the crew. As part of an effort to conceal the violations from the Coast Guard, certain officers and crew members denied that any discharge had occurred. Some crew members were told by a superior officer that they were not to say anything about the Residual Oil Tank. False and misleading statements were made to the Coast Guard at least in part to benefit the Defendants. These false statements included claims that the Residual Oil Tank was empty, denials that anything was pumped overboard, and denials that the portable pump and flexible yellow hose were used to make any discharge overboard.

As set forth above, the Master communicated with the DPA and Technical Superintendent at Prive Shipping during the Coast Guard inspection. It was during this group discussion, that the Technical Superintendent indicated his awareness that the Residual Oil Tank was contaminated with oily waste. The DPA also indicated that he was aware that the contents of the tank had been

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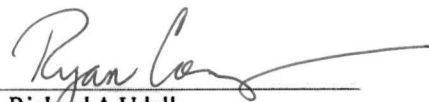
discharged and then cleaned from his reading of the Daily Work Reports. The DPA and Technical Superintendent suggested that the crew not volunteer information.

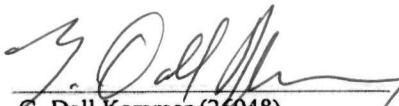
In pleading guilty, Defendants agree that the acts and omissions set forth herein were taken by agents and employees of Defendants, including both senior shoreside managers and senior ship officers, acting within the scope of their agency and employment, with an intent to benefit the Defendants, at least in part, and as part of a conspiracy to violate APPS and obstruct the Coast Guard's inspection and the investigation of this matter.





Very truly yours,

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AUSA 
Prive Overseas Marine 
Prive Shipping 
Defense Counsel 

FOR THE DEFENDANTS,

As an authorized representative of Defendant Prive Overseas Marine, I have read this Joint Factual Statement and carefully discussed every part of it with the company's defense counsel. I hereby stipulate that the above Joint Factual Statement is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Ercan Yilmaz / Authorized representative / 16th May of 2024

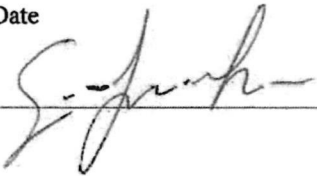
Name/Title/Date

Signature 

As an authorized representative of Defendant Prive Shipping, I have read this Joint Factual Statement and carefully discussed every part of it with the company's defense counsel. I hereby stipulate that the above Joint Factual Statement is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Ercan Yilmaz / Authorized representative / 16th May of 2024

Name/Title/Date

Signature 

I am counsel for Defendants Prive Overseas Marine and Prive Shipping. I have carefully discussed every part of this Joint Factual Statement with the authorized representatives of each company. To the best of my knowledge, this is a true and accurate factual statement and provides a sufficient factual basis for charges set forth in the Criminal Information and Defendants' guilty pleas as set forth in the Plea Agreement dated this same day.

John Kirchen / 5/16/24

Name/Date

Counsel for Prive Overseas and Prive Shipping

Signature 