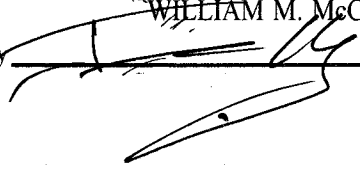


Presented to the Court by the foreman of the Grand Jury in open Court, in the presence of the Grand Jury and FILED in the U.S. DISTRICT COURT at Seattle, Washington.

MARCH 9 2016
WILLIAM M. McCOOL, Clerk
By  Deputy

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff

v.

ANGELAKOS (HELLAS) S.A.,
GALLIA GRAECA SHIPPING LTD,
KONSTANTINOS CHRYSOVERGIS, and
TRYFON ANGELOU

Defendants.

CR16-62 JCC

INDICTMENT

The Grand Jury charges that:

I. BACKGROUND

1. The M/V Gallia Graeca is a Cyprus-flagged cargo ship operated by defendant Angelakos (Hellas) S.A. ("Angelakos") and owned by defendant Gallia Graeca Shipping LTD ("Gallia Graeca Shipping"). Angelakos is a Panama-domiciled company. Gallia Graeca Shipping is a Cyprus-domiciled company and a subsidiary of Angelakos. The M/V Gallia Graeca is a commercial vessel weighing more than 400 gross tons.

2. Defendant Konstantinos Chrysovergis served as the Chief Engineer of the Gallia Graeca between August 27, 2015 and November 6, 2015. Defendant Tryfon

1 Angelou served as the Second Engineer of the Gallia Graeca between July 31, 2015 and
2 November 6, 2015. Defendants Chrysovergis and Angelou took all actions alleged in this
3 Indictment within the scope of their agency for, and their actions were intended, at least
4 in part, to benefit Angelakos and Gallia Graeca Shipping.

5 3. As a commercial vessel in excess of 400 gross tons, the M/V Gallia Graeca
6 is subject to the International Convention for the Prevention of Pollution From Ships
7 (“MARPOL”). MARPOL is embodied in numerous agreements that the United States
8 has ratified and implemented into domestic law by the Act to Prevent Pollution from
9 Ships (“APPS”). MARPOL imposes various requirements on ships, including
10 requirements relating to the handling of machinery space bilge water. Machinery space
11 bilge water is a mixture of oil and water that accumulates during the normal operation of
12 a ship. Machinery space bilge water, or any type of oil-contaminated water, may be
13 discharged overboard into the ocean only if its oil content is not more than 15 parts per
14 million (“ppm”). 33 C.F.R. § 151.10. MARPOL prohibits the discharge of machinery
15 space bilge water from a vessel unless it is first processed through an oil water separator
16 (“OWS”). The OWS is an oil filtering/treatment device that removes sufficient oil from
17 the machinery space bilge water such that the wastewater following the
18 filtering/treatment process contains not more than 15 ppm of oil to water without dilution.
19 Oil separated from the machinery space bilge water may then be burned in an incinerator
20 on the vessel or transferred on shore to a reception facility. Defendant Angelou
21 personally operated the M/V Gallia Graeca’s OWS at the direction of defendant
22 Chrysovergis.

23 4. A critical component of the OWS is an oil-sensing device known as the oil
24 content meter (“OCM”). Under normal operations, a sample of the filtered/treated
25 effluent from the OWS is passed through the OCM as the effluent is discharged
26 overboard. If the OCM determines that the oil content of the effluent exceeds 15 ppm, an
27 alarm is activated, and the OWS is prevented from discharging the effluent overboard.
28 OCMs are typically equipped with a freshwater flushing valve that allows vessel owners

1 and operators to perform routine maintenance and required calibration to insure accurate
2 and consistent functioning. The flushing valve is intended to be closed during the
3 operation of the OWS. Leaving the flushing valve open during operation of the OWS
4 would dilute the effluent sample and cause the OCM to register an inaccurately low
5 reading, potentially allowing the OWS to discharge effluent in excess of 15 ppm.

6 5. MARPOL, and applicable regulations promulgated under APPS, require
7 ships in excess of 400 gross tons to maintain an Oil Record Book (“ORB”). 33 C.F.R.
8 § 151.25. The ORB must accurately document certain events, including: (a) the
9 overboard discharge or disposal otherwise of bilge water that has accumulated in
10 machinery spaces; (b) the failure of oil filtering equipment, including the OWS; (c) the
11 collection of any oil or oil residue in any tank on board; and (d) the disposal of oil or oil
12 residue, including by burning in the incinerator. *See* 33 C.F.R. § 151.25; MARPOL
13 Annex I, Regulation 17 and Appendix III. Defendant Chrysovergis personally
14 maintained the M/V Gallia Graeca’s ORB in accordance with his responsibilities as Chief
15 Engineer.

16 6. The United States Coast Guard (“Coast Guard”) is a component of the
17 Department of Homeland Security and an agency of the United States government. The
18 Coast Guard is authorized to perform examinations known as Port State Control
19 Examinations on vessels calling at ports of the United States. One purpose of Port State
20 Control Examinations is to determine whether the vessel is in compliance with
21 MARPOL. In making this determination, the Coast Guard typically reviews, and relies
22 upon, among other things, the vessel’s ORB. The Coast Guard relies on the accuracy of
23 information contained in the ORB to assist in assessing a vessel owner’s and operator’s
24 compliance with applicable rules and regulations.

25 II. OFFENSE CONDUCT

26 7. On or about October 11, 2015, the M/V Gallia Graeca left China for
27 Seattle, Washington. During the voyage, the M/V Gallia Graeca’s OWS was inoperable,
28 that is, it was unable to effectively remove sufficient oil from the machinery space bilge

1 water to avoid the discharge of effluent contaminated with more than 15 ppm.

2 Defendants were aware that the system had failed, but did not record this failure in the
3 ORB as required by MARPOL and applicable regulations.

4 8. Defendant Angelou knew that, because the OWS was producing effluent
5 with an oil content in excess of 15 ppm, the OCM would activate and automatically stop
6 the overboard discharge of effluent from the OWS if a sample of the effluent was
7 processed through the OCM. To facilitate the discharge of contaminated effluent,
8 defendant Angelou operated the OWS in a manner that effectively bypassed the OCM.
9 Specifically, defendant Angelou operated the OWS with the effluent sample valve closed,
10 and with its freshwater flushing valve open. The effect of this configuration was to cause
11 freshwater, rather than a sample of the effluent being discharged overboard, to be
12 processed through the OCM, thus preventing the OCM from sensing and detecting the oil
13 content of the machinery space bilge water effluent being discharged overboard.

14 9. Defendant Angelou operated the OWS at the direction of defendant
15 Chrysovergis and in the above-described manner on or about October 16, 2015, October
16 26, 2015, and October 27, 2015. Defendants did not record, or caused not to be recorded,
17 these operations of the OWS as required by MARPOL and applicable regulations.
18 Defendants' manipulation of the OCM, together with the failure of the OWS, permitted
19 defendants to discharge into the sea approximately 5,000 gallons of machinery space
20 bilge water with an oil content in excess of 15 ppm.

21 10. Defendants made and caused to be made additional false entries and
22 omissions in the M/V Gallia Graeca's ORB. For example, during the voyage from
23 China, oil residue originating from machinery space on board the vessel collected in the
24 M/V Gallia Graeca's soot collection tank. On or about October 22, 2015, contents of the
25 soot tank, including the oil residue, were discharged overboard. Defendants failed to
26 record this discharge in the ORB. During the voyage, a member of the engine room crew
27 notified defendant Angelou that oil residue had collected in the vessel's soot collection
28 tank. Defendants failed to record the collection of this oil residue as required by

1 MARPOL and applicable regulations. In addition, defendants falsely represented in the
2 ORB that the M/V Gallia Graeca's incinerator had been used to burn oil residue for 45
3 hours on October 17, 2015, for 46 hours on October 21, 2015, and for 46 hours October
4 26, 2015, when in fact the incinerator had not been operated for more than 14 hours on
5 any one of these days.

6 11. On November 5, 2015, Coast Guard inspectors conducted a Port State
7 Control Examination of the M/V Gallia Graeca in Seattle, Washington. Defendant
8 Chrysovergis presented Coast Guard inspectors with the ORB containing the omissions
9 and false entries described above.

10 12. During the inspection, Coast Guard inspectors asked defendant Angelou to
11 demonstrate the operation of the OWS. Defendant Angelou knew that if the OWS was
12 operated correctly (that is, if the OCM was permitted to read the oil content of the actual
13 discharge), the OCM would show an oil content in excess of 15 ppm, and the inspectors
14 would be alerted that the OWS was not functioning properly and was incapable of
15 removing sufficient oil from the machinery space bilge water. To conceal this fact from
16 the Coast Guard, defendant Angelou operated the OWS with the sample valve closed and
17 the flushing valve open, causing the OCM to sample freshwater rather than the effluent.
18 Defendant Angelou's use of the freshwater flushing valve caused the OCM to provide a
19 reading of zero ppm.

20 13. Defendants Chrysovergis and Angelou made false statements to the Coast
21 Guard during the inspection. Specifically, defendant Chrysovergis falsely told Coast
22 Guard investigators that there had not been any problems with the OWS and that he had
23 never caused oil to be discharged into the sea. Defendant Angelou falsely told Coast
24 Guard investigators that he did not operate the M/V Gallia Graeca's OWS, but that this
25 operation was performed by the vessel's oiler, electrician and third engineer. Defendant
26 Angelou further falsely told Coast Guard investigators that the M/V Gallia Graeca's
27 OWS was operated with the freshwater flushing valve closed.

COUNT 1

(Violation of the Act to Prevent Pollution From Ships)

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3 1. The Grand Jury incorporates Paragraphs 1 through 13 as if fully set forth
4 herein.

5 2. On or about November 5, 2015, at Seattle, within the Western District of
6 Washington, the defendants, ANGELAKOS (HELLAS) S.A., GALLIA GREACA
7 SHIPPING LTD, KONSTANTINOS CHRYSOVERGIS, and TRYFON ANGELOU did
8 knowingly fail to maintain, and caused the failure to maintain, an accurate Oil Record
9 Book (“ORB”) for the M/V Gallia Graeca, a ship of 400 gross tons or more, for which all
10 collections, transfers, and disposals of oil and oil residue, and all overboard discharges of
11 bilge water and oily mixtures were required to be accurately recorded. Specifically, on
12 that date, at the Port of Seattle, defendants maintained and caused to be maintained an
13 ORB that contained the following false statements and omissions:

14 (1) The ORB failed to record the discharge overboard and disposal of bilge water
15 that had accumulated in machinery spaces, occurring on or about October 16,
16 2015, October 26, 2015, and October 27, 2015, as required by 33 C.F.R.
§ 151.25(d)(4) and MARPOL Annex I, Regulation 17 and Appendix III, Part (D);

17 (2) The ORB failed to record the system failure of the Oil Water Separator
18 in or about October 2015, as required by 33 C.F.R. § 151.25(d)(6) and MARPOL
19 Annex I, Regulation 17, and Appendix III, Part (F);

20 (3) The ORB failed to record the collection of oil residue in the soot collection
21 tank on or about October 25, 2015, as required by MARPOL Annex I, Regulation
22 17, and Appendix III, Part (C); and

23 (4) The ORB falsely stated that the vessel’s incinerator had been operated for 45
24 hours on October 17, 2015, for 46 hours on October 21, 2015, and for 46 hours on
25 October 26, 2015, contrary to the requirements of 33 C.F.R. § 151.25(d)(3) and
26 MARPOL Annex I, Regulation 17, and Appendix III, Part (C).

27 All in violation of Title 33, United States Code, Section 1908(a), Title 33, Code of
28 Federal Regulations, Section 151.25, and Title 18, United States Code, Section 2.

COUNT 2

(Falsification of Records in a Federal Investigation)

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3 1. The Grand Jury incorporates Paragraphs 1 through 13 as if fully set forth
4 herein.

5 2. Beginning at a time unknown, but no later than October 16, 2015, and
6 continuing until November 6, 2015, at Seattle, within the Western District of
7 Washington, and elsewhere, defendants ANGELAKOS (HELLAS) S.A., GALLIA
8 GREACA SHIPPING LTD, KONSTANTINOS CHRYSOVERGIS, and TRYFON
9 ANGELOU, did knowingly conceal, omit material facts from, cover up, and falsify a
10 record and document with the intent to impede, obstruct, and influence the investigation
11 and proper administration of a matter within the jurisdiction of a department or agency of
12 the United States, and in relation to and contemplation of such a matter, namely, a Port
13 State Control Examination by the U.S. Coast Guard. Specifically, defendants presented
14 and caused to be presented to the Coast Guard, and maintained and caused to be
15 maintained, an Oil Record Book containing the following false statements and omissions:

16 (1) The ORB failed to record the discharge overboard and disposal of bilge
17 water that had accumulated in machinery spaces, occurring on or about
18 October 16, 2015, October 26, 2015, and October 27, 2015, as required by
19 33 C.F.R. § 151.25(d)(4) and MARPOL Annex I, Regulation 17 and
Appendix III, Part (D);

20 (2) The ORB failed to record the system failure of the Oil Water Separator
21 in or about October 2015, as required by 33 C.F.R. § 151.25(d)(6) and
MARPOL Annex I, Regulation 17 and Appendix III, Part (F);

22 (3) The ORB failed to record the collection of oil residue in the soot
23 collection tank on or about October 25, 2015, as required by MARPOL
24 Annex I, Regulation 17, and Appendix III, Part (C); and

25 (4) The ORB falsely stated that the vessel's incinerator had been operated
26 for 45 hours on October 17, 2015, and for 46 hours on October 21, 2015
27 and October 26, 2015, contrary to the requirements of 33 C.F.R.
28 § 151.25(d)(3) and MARPOL Annex I, Regulation 17 and Appendix III,
Part (C).

1 All in violation of Title 18, United States Code, Section 1519, and Title 18, United
2 States Code, Section 2.

3 **COUNT 3**

4 **(Scheme to Defraud the United States)**

5 1. The Grand Jury incorporates Paragraphs 1 through 13 as if fully set forth
6 herein.

7 2. Beginning at a time unknown, but no later than October 16, 2015, and
8 continuing until November 6, 2015, at Seattle, within the Western District of
9 Washington, and elsewhere, defendants ANGELAKOS (HELLAS) S.A., GALLIA
10 GREACA SHIPPING LTD, KONSTANTINOS CHRYSOVERGIS, and TRYFON
11 ANGELOU, in a matter within the jurisdiction of the United States Coast Guard, did
12 falsify, conceal, and cover up by any trick, scheme, artifice and device a material fact, to
13 wit, the fact that the M/V Gallia Graeca's OWS had failed, and that machinery space
14 bilge water containing oil in excess of 15 ppm had been discharged overboard during the

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1 vessel's voyage from China to Seattle, Washington.

2 All in violation of Title 18, United States Code, Section 1001(a)(1), and Title 18,
3 United States Code, Section 2.

4 DATED: 3-9-2016

5 A TRUE BILL:

6 (Signature of Foreperson redacted pursuant to
7 policy of the Judicial Conference)

8 FOREPERSON

9 

10 ANNETTE L. HAYES
11 United States Attorney

12 

13 JAMES D. OESTERLE
14 Assistant United States Attorney

15 

16 MATTHEW DIGGS
17 Assistant United States Attorney

18 

19 SETH WILKINSON
20 Assistant United States Attorney

21 

22 STEPHEN BOR
23 Special Assistant United States Attorney
24