



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 28, 2008
WWW.USDOJ.GOV

ENRD
(202) 514-2007
TDD (202) 514-1888

Chief Engineer of U.S. Ship Pleads Guilty to Concealing Deliberate Pollution in "Magic Pipe" Case

WASHINGTON – The former chief engineer of an American-flagged car-carrier pleaded guilty today to criminal charges related to the deliberate discharge of oil-contaminated bilge waste through a "magic pipe" that bypassed required pollution prevention equipment, announced Ronald J. Tenpas, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division and Rod J. Rosenstein, U.S. Attorney for the District of Maryland.

Patrick Brown, the former chief engineer of the M/V Fidelio, renamed the M/V Patriot, pleaded guilty today before U.S. District Judge William M. Nickerson to conspiracy and making a false statement in a ship's Oil Record Book. Brown was employed by Pacific Gulf Marine Inc. (PGM), a vessel operator based in Gretna, La., that previously pleaded guilty to its role in deliberately discharging hundreds of thousands of gallons of oil-contaminated bilge waste from four of its giant car-carrier ships, including the Fidelio.

PGM was sentenced on Jan. 24, 2007, to pay \$1 million in criminal fines and \$500,000 in community service, and serve three years of probation under the terms of an environmental compliance plan that includes audits by an outside firm that, in turn, are reviewed by a court-appointed monitor.

"The defendant was involved in the deliberate overboard discharge of oil-contaminated bilge waste into the ocean for multiple years and lied to the Coast Guard to cover up his illegal actions. Corporations and crews should beware that polluting and lying to the authorities will be prosecuted to the full extent of the law," said Ronald J. Tenpas, Assistant Attorney General of the Justice Department's Environment and Natural Resources Division.

U.S. Attorney Rosenstein said, "The convictions in this case should send a powerful message about our commitment to prosecute anyone who damages the environment by bypassing pollution controls and intentionally discharging oil into the seas."

In a factual statement filed with the Court, Brown admitted that he used a bypass pipe to make deliberate overboard discharges of oil-contaminated bilge waste from 1994, when he began working as a Chief Engineer on the Fidelio under a prior management company, through March 2003, when the Coast Guard discovered the bypass pipe during an inspection of the ship in Baltimore. During the Coast Guard inspection on March 29, 2003, inspectors lifted a deck plate and found a permanently installed bypass pipe on the Fidelio that was part of the ship's original construction.

"The U.S. Coast Guard continues to uncover deceptive tactics being employed by those in the maritime industry who are disregarding U.S. and international environmental laws by intentionally discharging oil and hazardous substances into our oceans. Uncovering illegal operations such as this one and bringing the perpetrators to justice requires a coordinated effort," said Captain David Lersch, Chief, Prevention Division, Fifth Coast Guard District. "Protecting the environment is a mission we fully embrace and will continue to

perform with vigor and compassion.”

“EPA will not tolerate the intentional discharging of oil contaminated water into the seas,” said David Dillon, Special Agent in Charge for EPA Criminal Investigation Division's Philadelphia Area Office. “Today’s guilty plea should serve as a warning that we will vigorously investigate and prosecute those who intentionally mislead the government about environmental crimes.”

The Coast Guard directed the removal of the bypass pipe—referred to by some in the maritime industry as a “magic pipe”—and found that it was filled with black oil. The ship’s Oil Record Book, a required log in which all overboard discharges must be recorded, had been falsified to conceal illegal discharges made without the use of an oily water separator, a required pollution prevention device that Brown admitted was “rarely if ever used” except for demonstrating its functions during Coast Guard inspections.

Brown is the fifth chief engineer to plead guilty or be convicted by a jury in the continuing investigation. Deniz Sharpe, who served as chief engineer of the M/V Fidelio after Brown, pleaded guilty on March 7, 2007, to violating the Act to Prevent Pollution from Ships (APPS) involving continuing illegal conduct after the Coast Guard had removed the bypass pipe from the ship. Frank Coe, also a chief engineer of the M/V Fidelio, pleaded guilty on May 1, 2007. Stephen Karas, a former chief engineer of the M/V Tanabata, renamed the M/V Resolve, pleaded guilty to conspiracy and making false statements on March 29, 2007. Mark Humphries, also a former chief engineer of the M/V Tanabata, was convicted by a jury on Oct. 16, 2007, for conspiring to violate four different laws including making illegal discharges of bilge waste, in violation of the APPS; failing to fully maintain an oil record book, in violation of the APPS; making and using materially false documents; and obstruction of agency proceedings. The jury also found Humphries guilty on two counts of making materially false statements to the Coast Guard in 2002 and 2003. Humphries was sentenced to six months in prison.

Engine room operations on board large ocean-going vessels 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 oil and without treatment by an oil water separator and oil sensing equipment. The regime, established by the MARPOL Convention (Annex I)—a treaty signed by more than 135 countries representing approximately 97.5 percent of the world’s commercial tonnage and implemented into U.S. law by the APPS—also requires that overboard discharges be recorded in an oil record book.

This investigation was conducted by the Chesapeake Regional Office of the Coast Guard Investigative Service and the EPA Criminal Investigation Division. Additional assistance was provided by U.S. Coast Guard Sector Baltimore, U.S. Coast Guard Activities Europe, U.S. Coast Guard Fifth District Legal Office, Coast Guard Office of International and Maritime Law, and Coast Guard Headquarters Office of Investigations and Analysis. The case is being prosecuted by the U.S. Department of Justice Environmental Crimes Section and the U.S. Attorney’s Office for the District of Maryland.

###