



Department of Justice

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Oregon Corporation Sentenced for Ocean Pollution Violation

WASHINGTON—Kinder Morgan Bulk Terminals Incorporated (KMBT) was sentenced today for a felony violation of federal ocean protection laws before U.S. District Judge Garr M. King, the Justice Department announced. The court sentenced KMBT to pay a total penalty of \$240,000. Of this amount, a total of \$84,000 will fund various environmental projects in Oregon administered by the congressionally established National Fish and Wildlife Fund through the Oregon Governor's Fund for the Environment.

KMBT, which is headquartered in Louisiana and runs a bulk terminal vessel loading facility in Portland, Ore., admitted to violating the Marine Protection, Research, and Sanctuaries Act, more commonly known as the Ocean Dumping Act, which makes it a crime to knowingly transport or cause to be transported, without a permit, certain materials from the United States for the purpose of dumping the materials into ocean waters.

The case arose from an investigation into KMBT's operation of a terminal in Portland. KMBT receives, stores and loads potash or potassium chloride, a substance used as a salt substitute or fertilizer, on behalf of a Canadian corporation at Terminal 5. The shipments of potash arrive in railcars where KMBT then loads it onto bulk cargo vessels for shipment overseas, oftentimes to Asia.

In August 2003, KMBT received 160 metric tons of potash that inspectors determined had come into contact with water, rendering it unsaleable. KMBT's night superintendent paid the master of the vessel taking on the load \$1250 to load the wet, off-specification potash on the vessel's deck for later disposal into the ocean. In August 2007, the government located the master of the vessel, the *J/A Aladdin Dream II*, in Japan. The retired master had logbooks and was able to tell the Interpol investigator exactly where the crew dumped the potash into the ocean.

"Kinder Morgan Bulk Terminals is paying for its employees' attempts to save money by illegally dumping materials at sea," said Ronald J. Tenpas, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "Today's sentencing reaffirms the Department's commitment to protecting the world's ocean resources and insuring a level playing field for corporations that follow the law."

Scott West, Special Agent-in-Charge for EPA's Criminal Investigation Division in Seattle, said the Company's attempt at a "short cut" in managing a contamination problem has proven to be a costly violation of federal law. "It's hard to imagine a clearer violation of the Ocean Dumping Act," said West. "Intentionally using the ocean as a garbage can for off spec potash is not only morally wrong, it's a crime. Kinder Morgan has paid a serious price for not taking care of this properly at the dock."

"This was a long and difficult investigation that started here in Portland and ended in Japan – and was solved by the dogged diligence of criminal investigators at the Environmental Protection Agency," said U.S. Attorney Karin J. Immergut. "The hefty sentence in this case reaffirms this Office's commitment to protect our environment."

The case was investigated by the Environmental Protection Agency's Criminal Investigation Division and prosecuted by Assistant U.S. Attorney Dwight C. Holton and Trial Attorney J. Ronald Sutcliffe of the Justice Department's Environmental Crimes Section.

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