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COMPANY THAT MANAGED COSCO BUSAN INDICTED ON NEW CHARGES

Fleet Management Ltd. Charged For Pollution And Cover-Up In San Francisco Bay Oil Discharge Case

San Francisco —Joseph P. Russoniello announced this morning that a federal grand jury in San Francisco, returned a second superseding indictment late yesterday afternoon charging Fleet Management Limited, a Hong Kong ship management company, with negligently causing the discharge of 50,000 gallons of oil from the Cosco Busan, and falsifying documents after the crash to cover-up the company's negligence.

Fleet Management, the company responsible for operating the Cosco Busan, was charged today with six felony counts for making false statements and obstruction justice. According to the indictment, Fleet Management, acting through senior ship officers and shore-based supervisory officials, concealed and covered-up documents with an intent to impede, obstruct and influence the investigation of the spill. The falsified documents include a fictitious passage plan for Nov. 7, 2007, the day of the crash, as well as two prior voyages made after Fleet assumed management of the vessel in October 2007. Fleet's safety procedures required by U.S. law, mandated berth-to-berth passage plans for each voyage. However, according to the indictment, Fleet created falsified plans after the crash and concealed and covered up the real ship records.

The grand jury's indictment also charges Fleet Management with misdemeanor crimes for violating the Clean Water Act (CWA), as amended by the Oil Spill Act of 1990—a law enacted in the wake of the 1989 Exxon Valdez disaster—and the Migratory Bird Treaty Act by causing the death of protected species of migratory birds. As a result of the discharge of heavy fuel oil from the Cosco Busan, approximately 2,000 birds died, including Brown Pelicans, Marbled Murrelets and Western Grebes. The Brown Pelican is a federally endangered species and the Marbled Murrelet is a federally threatened species and an endangered species under California law.

Fleet Management is charged as a co-defendant with Captain John Cota, a California ship pilot responsible for assisting the ship to safely transit the internal waters, with the environmental crimes. The indictment charges that on Nov. 7, 2007, Cota and Fleet were both responsible for negligently causing the discharge of approximately 50,000 gallons of heavy fuel oil from the Cosco Busan because they failed to stay on a collision free course, failed to prepare and review an adequate passage plan before departure, departed in heavy fog, proceeded at an unsafe speed despite limited visibility, failed to use the vessel's radar on the final approach, failed to operate properly the vessel's electronic chart system, as well as other navigational errors. Fleet Management is also charged with negligence on account of failing to adequately train the new crew that it had placed on the ship and failing to post an adequate lookout. According to the indictment, these failures led to the Cosco Busan striking the bridge and discharging oil into San Francisco Bay.

Cota also stands charged with making false statements to the U.S. Coast Guard in 2006 and 2007 concerning his medications and medical conditions. Cota certified that all the information he provided on required

medical forms was complete and true to the best of his knowledge. Cota has been charged with making false statements by providing information that was neither complete nor true, including information regarding his current medications, the dosage, possible side effects and medical conditions for which the medications were taken. Cota was licensed by the Coast Guard and the State of California as a Bar Pilot, according to the indictment. He was a member of the San Francisco Bar Pilots and had been employed in the San Francisco Bay since 1981. In California, large ocean-going vessels are required to be piloted when entering or leaving port.

The maximum penalty for Fleet Management's alleged felony obstruction and false statements offenses is a criminal fine of \$500,000 per count or twice the gross gain or loss caused by the offense. The penalties for the misdemeanor Clean Water Act violation are a \$200,000 fine or twice the gross gain or loss caused by the offense, and for the misdemeanor Migratory Bird Act violation a \$15,000 fine or twice the gross gain or loss caused by the offense. Fleet Management's initial appearance has not yet been scheduled.

The investigation is ongoing and is being conducted by the Coast Guard Investigative Service, the EPA Criminal Investigation Division, the Federal Bureau of Investigation, the U.S. Fish and Wildlife Service and the California Department of Fish and Game, Office of Spill Prevention and Response.

The case is being prosecuted by Assistant U.S. Attorneys Stacey Geis and Jonathan Schmidt of the U.S. Attorney's Office for the Northern District of California, and Richard A. Udell, Senior Trial Attorney with the Justice Department's Environmental Crimes Section.

An indictment is merely an accusation. All defendants are presumed innocent until proven guilty at trial beyond a reasonable doubt.

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. Those adversely impacted by the oil spill are encouraged to visit <http://www.usdoj.gov/usao/can/community/notifications> to learn more about the case and the Crime Victims' Rights Act.

Further Information:

Case # CR-08-0160

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Joshua Eaton at (415) 436-6958 or by email at Josh.Eaton@usdoj.gov.

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