



# United States Department of Justice

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## **SHORE TERMINALS LLC SENTENCED TO PAY \$2.5 MILLION FOR MAKING FALSE STATEMENT CONCERNING CLEAN AIR ACT REQUIREMENTS**

*\$750,000 Will Go To Improve Air Quality In Alameda And Contra Costa Counties*

SAN FRANCISCO – Shore Terminals LLC, a Delaware limited liability corporation, pleaded guilty today to four felony counts of submitting false annual reports to the Bay Area Air Quality Management District and the U.S. Environmental Protection Agency regarding the facility's compliance with the Clean Air Act and was sentenced to pay \$2.5 million, United States Attorney Joseph P. Russoniello announced.

According to the plea agreement, Shore Terminals distributed petroleum products and ethanol stored in its tank farm in Selby, Calif. As part of its operations, the company loaded fuel trucks with a device known as a truck loading rack. When Shore Terminals loaded trucks in this manner, significant amounts of volatile organic compounds would be emitted into the ambient air unless Shore Terminals captured those pollutants with a vapor recovery unit. Volatile organic compounds, when combined with sunlight, create ground-level ozone, which is a major component of what is commonly known as smog.

Beginning in 2003 and continuing until December 2006, Shore Terminals experienced problems with its truck loading rack vapor recovery unit that caused the vapor recovery unit to malfunction and shut down. During that period, Shore Terminals employees repeatedly loaded ethanol and petroleum products using the truck loading rack while the truck loading rack's vapor recovery unit was not operating. To do so, Shore Terminals employees repeatedly used a bypass switch previously installed in the operations control room. The switch bypassed the automatic shutdown of the loading rack when the vapor recovery units were not operating. In so doing, Shore Terminals caused the release of volatile organic compounds that repeatedly vaporized and escaped into the air, in violation of the Clean Air Act. In March 2005, May 2005 and March 2006, Shore Terminals falsely certified to the Bay Area Air Quality Management District and the United States Environmental Protection Agency that their facility was in compliance with the Clean Air Act and all permit requirements, when it was not.

"Air pollution is a serious problem in the Bay Area," Russoniello said. "Companies that operate in the Bay Area must do so in compliance with required environmental laws. Those that don't will be brought to justice."

As part of the plea agreement, Judge Susan Illston sentenced Shore Terminals to pay a \$1.75 million fine. She also ordered Shore Terminals to pay \$750,000 to community service projects that are designed to improve air quality in the Bay Area – in particular, Contra Costa and Alameda counties where the Selby Terminals is located. Shore Terminals will also implement an environmental compliance plan for the bulk fuel terminal located in Selby, Calif., to ensure future compliance with the Clean Air Act and other environmental regulations.

“To protect human health and the environment, the Clean Air Act and State of California require regulated industries to submit complete and accurate emissions data,” said Nick Torres, Special Agent in Charge of the EPA's criminal enforcement office in San Francisco. "Violators who submit false reports place the public and the environment at risk, and they will be vigorously prosecuted."

Stacey Geis and Jeffrey Rabkin are the Assistant U.S. Attorneys who are prosecuting the case with the assistance of Legal Technician Rayneisha Booth. The prosecution is the result of a three year investigation by the U.S. Environmental Protection Agency Criminal Investigation Division, and the Bay Area Air Quality Management District. It was referred for prosecution by the Air District's counsel.

**Further Information:**

Case #: CR 09-0395 SI

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://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](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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