

**UNITED STATES  
ATTORNEY'S OFFICE  
District of Oregon**



**PRESS ROOM**

November 02, 2011

**Oil Pollution Case Results in Felony Guilty  
Pleas and \$750,000 Fine**

***Oregon Governor's Fund for the Environment  
will receive \$375,000***

PORTLAND, Ore. – U.S. Attorney S. Amanda Marshall and Oregon Attorney General John Kroger jointly announced that the owner and operator of a Cyprus-based ship pleaded guilty today to felony oil pollution charges.

A.E. Nomikos Shipping Inv. Ltd. and Lounia Shipping Co. Ltd. pleaded guilty to one count each of violating the Act to Prevent Pollution from Ships, and knowingly making false statements to the U.S. Coast Guard. As part of the plea agreement, the companies agreed to pay a \$750,000 fine. Half of the fine – \$375,000 – will go to the Oregon Governor's Fund for the Environment, which is dedicated to local environmental cleanup and restoration efforts focused on preserving and protecting Oregon's rivers, watersheds, and fish and wildlife.

Nomikos was the operator and technical manager of the Arion SB, a bulk carrier that operated under the flag of Cyprus. Nomikos provided management services pursuant to a contract with Lounia, the registered owner of the Arion SB. Nomikos is headquartered in Piraeus, Greece. Lounia is headquartered in Cyprus.

Representatives of the companies entered guilty pleas before U.S. District Judge Michael H. Simon today, after which Judge Simon imposed sentence. In addition to the \$750,000 fine, Judge Simon sentenced both defendants to three years probation, during which both defendants will be required to fund and implement an Environmental Compliance Plan.

An investigation revealed that between at least June 2011 and October 16, 2011, Nomikos and Lounia, acting through their agents and employees, directed subordinate engine room crew to run the Arion SB's Oil Water Separator improperly. Specifically, the Chief Engineer instructed the Second Engineer to pipe fresh, clean water directly into the Oil Content Meter for the purpose of blinding the Arion SB's Oil Content Meter, so that it would not function properly to prevent the overboard discharge of oil-contaminated waste in excess of 15 ppm. The Chief Engineer failed to include any entries in the Arion SB's Oil Record Book relating to the crew's improper use of fresh water to manipulate the vessel's Oil Content Meter, and also included inaccurate entries in the Oil Record Book regarding the crew's use of the vessel's Waste Oil Incinerator.

"The sentences imposed today should send a clear message that the United States will hold vessels responsible for dumping oil in our oceans and for lying to the United States Coast Guard. We are pleased that the court allocated \$375,000 of the fine to be used here in Oregon to benefit our environment," said U.S. Attorney S. Amanda Marshall.

"The Oregon Department of Justice is deeply committed to holding polluters accountable when they break the law," said Attorney General John Kroger.

This case came to light after the United States Coast Guard boarded the Arion SB, on or about October 16, 2011, to conduct a Port State Control Safety Exam for the vessel.

“This case demonstrates our commitment to ensuring that vessels calling on U.S. ports fully comply with U.S. laws and international treaties,” stated Rear Admiral Keith A. Taylor, Commander, Thirteenth Coast Guard District.

The case was jointly investigated and prosecuted by federal and state authorities. The case was investigated by the U.S. Coast Guard, U.S. Coast Guard Investigative Service, and Environmental Protection Agency Criminal Investigation Division. Assistant U.S. Attorney Stacie F. Beckerman and Special Assistant U.S. Attorney Patrick Flanagan of the Oregon Department of Justice’s Environmental Crimes Unit prosecuted the case.