



Department of Justice

FOR IMMEDIATE RELEASE
Monday, March 16, 2009
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ENRD
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TDD (202) 514-1888

General Maritime Management (Portugal) Fined \$1 Million for Environmental Crimes

WASHINGTON— A federal judge in Corpus Christi, Texas, has sentenced General Maritime Management (Portugal), the operator of a fleet of tanker vessels, and two crewmembers of the motor tanker Genmar Defiance for making false statements to the U.S. Coast Guard and failing to maintain an accurate Oil Record Book designed to prevent pollution of the world's oceans as required by United States and international law, the Justice Department announced.

The court sentenced General Maritime Management (Portugal) LDA, late Friday, to pay a \$1 million fine. In addition, the company was sentenced to serve five years of probation. Special conditions of the probation require the company to rehire the whistleblowers if they reapply for employment; submit monthly reports, under oath, regarding compliance; and allow a court appointed official to perform three audits of each vessel and three audits of its shore side office during the probation period. Violations of the terms of probation could result in one or more of the company's ships being banned from U.S. territorial waters during the term of the probation.

Chief Engineer Antonio Rodrigues was previously sentenced for the same violations on Feb. 10, 2009 to three months of confinement in a half-way house, a \$500 fine, a special assessment of \$200 and five years of probation. First Engineer Cavadas was likewise sentenced on Feb. 10, 2009 to six months of confinement in a half-way house, a \$500 fine, a special assessment of \$200 and five years of probation.

During the hearing, the court awarded \$250,000 to the five whistleblowers to be divided on a proportional basis for their actions and cooperation.

The company and two crewmembers were found guilty on all counts by a jury on Nov. 25, 2008. The trial and sentencing were presided over by the Honorable Janis Graham Jack, U.S. District Judge for the Southern District of Texas.

Engine room operations on-board large oceangoing vessels such as the Genmar Defiance generate large amounts of waste oil. International and U.S. law prohibit the discharge of waste oil above 15 parts per million oil to water; which can be achieved by the proper operation of an oil-water separator. The law also requires that all of the oil transferred onto, off of, or between tanks within a ship be recorded in the Oil Record Book so all the oil on a ship can be accounted for when the ship is inspected by the U.S. Coast Guard and other port state control authorities around the world.

The criminal convictions were related to events occurring on board the Genmar Defiance during a voyage to Corpus Christi in November 2007. On Nov. 24, 2007, engine room crew members were directed by First Engineer Cavadas to assist in hooking-up a flexible hose between the ship's bilge pump and the overboard discharge valve bypassing the vessel's pollution prevention equipment—its oil-water separator—and allowed crewmembers to pump the contents of the bilge tank directly into the Straits of Florida and the Gulf of Mexico.

Further, on Nov. 26, 2007, one of the crew members working in the ship's engine room was ordered by First Engineer Cavadas and Chief Engineer Rodrigues to assist in connecting a hose from the vessel's fresh water supply to the oil content meter on the ship's oil-water separator. The connection allowed the engineers to "trick" the oil content meter and prevent it from shutting a valve that would re-circulate oily water to the bilge tank where it would be treated through the oil-water separator before being discharged overboard. By tricking the oil content meter, the oily water was permitted to be discharged directly overboard in violation of international law. Two engine room crewmen secretly photographed the illegal connection and provided the photographs to the Coast Guard during a boarding of the vessel on Nov. 28, 2007 while the Genmar Defiance was docked at the Valero refinery.

"This significant criminal fine along with the maximum term of probation requiring audits and regular reporting sends a strong signal that companies will be punished severely, will be required to prove to the court that they have learned their lesson and taken actual steps to reform their corporate practices and are complying with the law," said John C. Cruden, Acting Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "Illegal pollution from ships is a continuing problem and the Justice Department will continue to work with the Coast Guard and the Environmental Protection Agency to prosecute those who violate our nation's laws designed to protect the environment and candor with investigators."

"The Coast Guard places a high priority on its stewardship of the marine environment," said Captain John H. Korn, Chief of Staff of the Eighth Coast Guard District. "We appreciate the dedicated efforts of the Department of Justice; the successful investigation and prosecution of cases like the GenMar Defiance takes considerable coordination among interagency partners. Efforts such as this are key to protecting the environment for all."

"The oceans must be protected and commercial vessels must operate safely and lawfully," said Warren Amburn, Special Agent in Charge for EPA's Criminal Investigation Division in Dallas. "Today's sentences send a clear message that those who violate the law and pollute the seas will be prosecuted."

This case was investigated by the U.S. Coast Guard, and the Environmental Crimes Task Force, which includes the U.S. Environmental Protection Agency, the Texas Commission on Environmental Quality Investigations Division, and the Texas Parks and Wildlife Department. The case was prosecuted by the Justice Department's Environmental Crimes Section.

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