

BLOG



JULY 2, 2014

On June 30, 2014, Marine Managers Ltd., a Greece-based shipping company, pled guilty to one count of violating the Act to Prevent Pollution from Ships by failing to maintain an oil record book in U.S. waters, and one count of submitting a false document to the Coast Guard.

According to a joint factual statement between the prosecutors and the company (but denied by the Chief Engineer), the Chief Engineer ordered the Second Engineer to connect a "magic pipe" bypass to discharge oily waste from the bilge tank directly to the sea. When he saw the Fitter taking a photo with his cell phone, the Chief Engineer chased the Fitter around the Engine Room, took the cell phone, and had the Oiler delete the photo. The Fitter informed the Master, but the Engineer denied the incident, and the Master took no further action. When the Coast Guard boarded the vessel in New Orleans a few weeks later, the Oiler told the Coast Guard about the bypass hose and where to find it. The Chief Engineer tried to disrupt the Coast Guard investigation by cutting the hose nearly in half while denying that it was used as a bypass. He also told the other engineers to lie to the Coast Guard, gave them notes to help them do so, and hid alarm tapes and sounding books in his stateroom.

Even though the company didn't know about the wrongful conduct and the actions violated company policies and procedures, the company was still held vicariously liable. In its plea agreement, the company has agreed to pay a penalty of \$900,000, implement an Environmental Compliance Plan, and serve a three-year probation. Sentencing is scheduled for October 2, 2014. As for the Chief Engineer, he is scheduled to be arraigned on July 17, 2014 for failing to maintain an oil record book, obstruction of justice, and witness tampering.

This case is notable for the opportunity apparently lost by the Master to nip this matter in the bud. If the Master had investigated the Fitter's report more fully, the company would have had the chance to correct the oil record book and forestall the alleged obstruction by the Chief Engineer.

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