

BLOG



APRIL 13, 2011

Stanships, Inc. and three related companies have pled guilty in the U.S. District Court for the Eastern District of Louisiana to charges set forth in a <u>Criminal Information</u>, including maintaining a false oil record book, obstructing justice, and failing to report hazardous conditions to the Coast Guard, all in connection with a port call in New Orleans last November by the *M/V Americana*, a Panamanian registered cargo vessel. According to a Department of Justice news release, the plea agreement provides for the companies to pay a total of \$1 million, and be banned from trading to the U.S. for a period of five years. The offense is the second MARPOL-related offense for Stanships, which was convicted last September of similar offenses, and sentenced to a \$825,000 penalty, a strict environmental compliance plan, and a three year probation period for false oil record books on the *M/V Doric Glory*.

Like the earlier matter, the case involving the *M/V Americana* was initiated by a crewmember whistleblower. The crewmember reported to the Coast Guard that engineers on board had transferred oily wastes to a fuel tank and then overboard, used a bypass hose, and had falsified the oil record book. The crewmember's report was corroborated by photos from his cell phone camera, as well as physical evidence found onboard, including a streak of visible oil on the hull of the ship in the vicinity of the overboard valve. In addition to the MARPOL offenses, the Coast Guard also discovered that the vessel was experiencing severe problems with its generators, but failed to report the situation to the Coast Guard, in violation of the Ports and Waterways Safety Act.

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