

Polembros Shipping LTD Pleads Guilty to Crimes



SEPTEMBER 30, 2009

The Greek shipping company, Polembros Shipping LTD., entered a plea agreement in federal court in New Orleans on September 30, 2009, in which it agreed that all of its vessels will be barred from U.S. waters for a three-year period, and will pay a \$2.7 million criminal fine. The penalties against Polembros arise from violations by its personnel of one count of the Nonindigenous Aquatic Nuisance Prevention and Control Act, one count of the Ports of Waterways Safety Act, two counts of the Act to Prevent Pollution from Ships, and one count of making false statements.

The case arose from a problematic voyage of the *M/V Theotokos* from China to New Orleans. During the voyage, the ship suffered a crack to its after-peak tank that allowed water to leak into the ship, a crack between a fuel tank and the forepeak that allowed fuel oil to contaminate the forepeak tank, and problems with the OWS that rendered the unit inoperable. Although the shoreside staff was informed of the problems, they failed to take any remedial action. The company and crew also failed to report the problems to the Coast Guard prior to the ship's arrival in New Orleans, and pumped oily water directly overboard from the forepeak tank and the engine room. The crew then tried to conceal the facts from the Coast Guard by installing a false sounding tube into the forepeak, falsify records, and claim that some records were missing.

This case represents the first criminal prosecutions under the Nonindigenous Aquatic Nuisance Prevention and Control Act. In addition to Polembros' corporate guilty plea, the vessel's master, Panagiotis Lekkas, the chief officer, Charles Posas, and the chief engineer, Georgios Stamou also pled guilty to the related charges. Polembros is to be sentenced on December 9, 2009.

Interestingly, the plea agreement notes that Polembros accepted the banishment from U.S. waters "in lieu of a court-ordered environmental compliance plan," which poses the question as to what was included in the compliance plan. According to the plea agreement, Polembros and all of its vessels will be banned and barred from U.S. waters during the three-year probationary period. In addition to the criminal fine, Polembros is responsible for a separate \$100,000 community service payment to the Smithsonian Environmental Research Center, which will be used to research and mitigate the effects of marine invasive species suspected to be transported in ballast waters of ocean-going vessels.

2 Min Read

This entry has been created for information and planning purposes. It is not intended to be, nor should it be substituted for, legal advice, which turns on specific facts.