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## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, May 13, 2015

### **Norwegian Shipping Company and Engineering Officers Charged with Environmental Crimes and Obstruction of Justice**

A federal grand jury in Mobile, Alabama, has returned a seven-count indictment charging Det Stavangerske Dampskibsselskab AS (DSD Shipping) and four employees with violating the Act to Prevent Pollution from Ships (APPS), conspiracy, obstruction of justice and witness tampering, announced Assistant Attorney General John C. Cruden for the Department of Justice's Environment and Natural Resources Division and U.S. Attorney Kenyen R. Brown for the Southern District of Alabama. DSD Shipping is a Norwegian-based shipping company that operates the oil tanker M/T Stavanger Blossom, a vessel engaged in the international transportation of crude oil. Also indicted were four engineering officers employed by DSD Shipping to work aboard the vessel, Daniel Paul Dancu, 51, of Romania, Bo Gao, 49, of China, Xiaobing Chen, 34, of China, and Xin Zhong, 28, of China.

According to the indictment, in 2014, DSD Shipping and its employees conspired to bypass pollution prevention equipment aboard the M/T Stavanger Blossom and to conceal the direct discharge of waste oil and oil-contaminated waste water from the vessel into the sea. The operation of marine vessels, like the M/T Stavanger Blossom, generates large quantities of waste oil and oil-contaminated waste water. International and U.S. law requires that these vessels use pollution prevention equipment to preclude the discharge of these materials. Should any overboard discharges occur, they must be documented in an oil record book, a log that is regularly inspected by the U.S. Coast Guard. Despite these requirements, DSD Shipping and its employees used a bypass pipe to circumvent pollution prevention equipment and discharge waste oil and oil-contaminated waste water directly into the sea. DSD Shipping and its employees also filled plastic bags with waste oil from a sludge tank aboard the vessel and then discarded the oil-filled plastic bags overboard into the sea.

The indictment further alleges that prior to an inspection by the U.S. Coast Guard, Chen ordered crewmembers to remove the bypass pipe, install a new pipe and repaint the piping to hide the illegal discharges. Chen and Zhong then ordered crewmembers to lie to the U.S. Coast Guard and instructed them to say that no plastic bags containing waste oil were discarded overboard, that all plastic bags remained aboard the vessel and to provide the incorrect quantity of bags generated from the cleaning of the sludge tank. To further hide the illegal discharges of waste oil and oil-contaminated waste water, DSD Shipping and its employees maintained a fictitious oil record book that failed to record the disposal, transfer, or overboard discharge of oil from the vessel. The oil record book also contained false entries stating that pollution prevention equipment had been used when it had not.

DSD Shipping and the engineering officers were charged with violating the APPS for failing to record overboard discharges in the vessel's oil record book and garbage record book and with obstruction of justice and witness tampering for presenting false documents and deceiving the Coast Guard during an inspection. If convicted, DSD Shipping could be fined up to \$500,000 per count, in addition to other possible penalties. Dancu, Gao, Chen and Zhong face a maximum penalty of 20 years in prison for the obstruction of justice charges. An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until and unless proven guilty.

This case was investigated by the Sector Mobile of the U.S. Coast Guard, Investigative Services of the U.S. Coast Guard and the Criminal Investigation Division of the Environmental Protection Agency. Assistant U.S. Attorney Mike D. Anderson, with the U.S. Attorney's Office for the Southern District of Alabama and ECS Trial Attorney Shane N. Waller are prosecuting the case.

15-608



Environment and Natural Resources Division

*Updated May 13, 2015*



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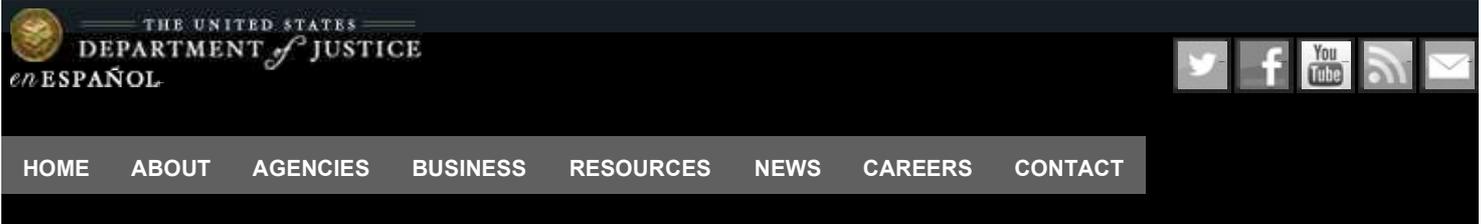
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## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, June 12, 2015

#### **Norwegian Shipping Company and Engineering Officers Charged in Second Indictment with Environmental Crimes and Obstruction of Justice**

A federal grand jury in Lafayette, Louisiana, has returned a three-count indictment charging Det Stavangerske Dampskibsselskab AS (DSD Shipping) and four employees with violating the Act to Prevent Pollution from Ships (APPS) and obstruction of justice in connection with the illegal discharge of contaminated waste-water directly into the sea, announced Assistant Attorney General John C. Cruden for the Department of Justice's Environment and Natural Resources Division and U.S. Attorney Stephanie A. Finley for the Western District of Louisiana. DSD Shipping is a Norwegian-based shipping company that operates the oil tanker M/T Stavanger Blossom, a vessel engaged in the international transportation of crude oil. Also indicted were four engineering officers employed by DSD Shipping to work aboard the vessel: Daniel Paul Dancu, 51, of Romania; Bo Gao, 49, of China; Xiaobing Chen, 34, of China; and Xin Zhong, 28, of China.

The operation of marine vessels, like the M/T Stavanger Blossom, generates large quantities of waste oil and oil-contaminated waste water. International and U.S. law requires that these vessels use pollution prevention equipment to preclude the discharge of these materials. Should any overboard discharges occur, they must be documented in an oil record book, a log that is regularly inspected by the U.S. Coast Guard.

"Companies operating vessels in navigable waterways have a responsibility to prevent oil spills and protect the public and the environment," said U.S. Attorney Finley. "One of our priorities is to help preserve the natural resources of this state. Violators should be clear - charges will be filed against entities and persons who harm these resources and obstruct investigations."

According to the indictment, in 2014, DSD Shipping and its employees discharged oil-contaminated waste water generated aboard the M/T Stavanger Blossom directly into the sea. To hide the illegal discharges, DSD Shipping and its employees maintained a fictitious oil record book that failed to record the disposal, transfer, or overboard discharge of oil from the vessel. The indictment further alleges that prior to an inspection by the U.S. Coast Guard, Chen ordered crewmembers to remove piping connected to the vessel's overboard discharge valve, install new piping, and repaint the piping to hinder an inspection by the U.S. Coast Guard.

DSD Shipping and the engineering officers were charged with violating the APPS for failing to record overboard discharges in the vessel's oil record book and with obstruction of justice for presenting false documents and deceiving the Coast Guard during an inspection in the Port of Lake Charles. If convicted, DSD Shipping could be fined up to \$500,000 per count, in addition to other possible penalties. Dancu, Gao, Chen and Zhong face a maximum penalty of 20 years in prison for the obstruction of justice charges. An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until and unless proven guilty.

This is the second indictment arising from a joint, multi-district investigation by the U.S. Coast Guard, Sector Mobile, U.S. Coast

Guard Investigative Services and the Criminal Investigation Division for the Environmental Protection Agency. DSD Shipping, Dancu, Gao, Chen and Zhong were previously indicted in the Southern District of Alabama with a seven-count indictment charging related conduct. Assistant U.S. Attorney Howard Parker with the U.S. Attorney's Office for the Western District of Louisiana, Assistant U.S. Attorney Mike Anderson with the U.S. Attorney's Office for the Southern District of Alabama and Trial Attorney Shane N. Waller Environmental Crimes Section are prosecuting the case.

15-739



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