



## *United States Attorney District of New Jersey*

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### **Federal Prosecutions Which Led to Community Service Payments**

#### **Clipper Marine Services A/S**

In June 2008, Danish shipping company Clipper Marine Services A/S (Aktieselskab) pleaded guilty to conspiracy to defraud the government by maintaining a false oil record book aboard the Motor Tanker Clipper Trojan, which was presented to Coast Guard inspectors in Port Newark, New Jersey in June 2006. The company pleaded guilty to three charges: conspiracy to defraud the United States, violating the Act to Prevent Pollution from Ships (“APPS”), and making false statements to the U.S. Coast Guard. The oil record book concealed overboard discharges of oil sludge and oil contaminated bilge water. The dumping of oily waste violates the MARPOL Protocol, an international treaty regulating the handling and disposal of oil waste at sea. Ocean-going vessels like the Motor Tanker Clipper Trojan are required by international and U.S. law to maintain an accurate Oil Record Book that records any transfer or disposal of oily waste. The company agreed and was sentenced to pay a \$3.25 million fine and to retrofit certain ships with state-of-the-art higher-capacity oily water separators and to implement a pilot program involving a real-time remote monitoring system aboard five of its vessels to track oil waste levels and usage of oil waste processing equipment. In addition, the company made a \$1.5 million community service payment to National Fish and Wildlife Foundation (“NFWF”) to be designated for the protection, scientific study, and restoration of marine and aquatic resources in New Jersey. The ship’s Chief Engineer was sentenced by United States District Judge Peter G. Sheridan to five months in prison for his role in the offense. Assistant United States Attorney Brad Harsch handled the case.

#### **Holy House Shipping AB**

In March 2009, Swedish shipping company Holy House Shipping AB was sentenced by United States District Judge Jerome B. Simandle to pay a \$1 million fine and a \$400,000 community service payment to NFWF for projects to restore and protect fragile marine habitats in New Jersey. The shipping company pleaded guilty to an Information charging it with violating the APPS, which requires ship crews to maintain accurate records of any discharges made at sea, and with making false statements to the Coast Guard – which in this case involved knowingly making false entries and statement regarding discharges at sea. A \$1 million fine is the maximum allowable for these charges, which arose from the false entries and statements of the crew of Holy House’s ship, the Motor Vessel Snow Flower, to conceal their dumping of oil-contaminated waste into the Pacific and Atlantic Oceans. As part of the plea agreement, the company entered into an environmental compliance plan which requires that the company have each of its ships which sails to the United States regularly inspected by a qualified third party, and improve the ship as deemed necessary. The Chief Engineer was also convicted of violating the APPS, and was sentenced in December 2008 to a period of probation and an \$8,000 fine.

Two members of the crew who acted as whistleblowers shared in a significant financial award for their efforts in reporting this crime to the United States Coast Guard. The financial award was paid from the fine, and did not reduce the amount of the community service payment. The case was handled by Assistant United States Attorney Ronald Chillemi.

**Dalnave Navigation Inc.**

Liberian shipping company Dalnave Navigation Inc. was sentenced by the United States District Judge Peter G. Sheridan in September 2009 to pay a \$1 million fine, the maximum allowable, and a \$350,000 community service payment to NFWF to be used for the protection, scientific study, and restoration of marine and aquatic resources in New Jersey. The shipping company pleaded guilty to two counts of an Indictment charging it with violating the APPS and making false statements to Coast Guard Inspectors in Port Newark in September 2008 in order to conceal that one of its vessels, the Motor Vessel Myron N, had dumped oil-contaminated waste into the ocean. Both the Chief Engineer and the Second Engineer pleaded guilty to one count of violating the APPS and were sentenced to probation, including a month in a community corrections facility. This case was handled by Assistant United States Attorney Kathleen P. O'Leary.