

2006R00751/BAH

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

| | | |
|-----------------------------|---|-------------------------|
| UNITED STATES OF AMERICA | : | Hon. <u>PGS</u> |
| | : | |
| v. | : | Crim. No. <u>07-264</u> |
| | : | |
| CLIPPER WONSILD TANKERS | : | 18 U.S.C. § 371 |
| HOLDING A/S, CLIPPER MARINE | : | 33 U.S.C. § 1908(a) |
| SERVICES A/S, and TROJAN | : | 18 U.S.C. § 1001 |
| SHIPPING CO., LTD. | : | 18 U.S.C. § 1505 |
| | : | 18 U.S.C. § 1519 |
| | : | 18 U.S.C. § 2 |
| | : | |

I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting in Newark, charges:

COUNT ONE
(Conspiracy - 18 U.S.C. § 371)

1. At all times relevant to this Indictment, unless
otherwise indicated:

The Defendants

a. Defendant CLIPPER WONSILD TANKERS HOLDING A/S
(hereinafter "CLIPPER WONSILD TANKERS") was a Danish corporation
headquartered in Copenhagen, Denmark, that commercially operated
a fleet of approximately 55 ocean-going transport vessels. As a
commercial operator, CLIPPER WONSILD TANKERS was responsible for
the chartering and trading of vessels on the open market.

b. Defendant CLIPPER MARINE SERVICES A/S (hereinafter
"CLIPPER MARINE SERVICES," formerly known as CRESCENT MARINE

SERVICES A/S) was a Danish corporation with offices in Denmark and the United Kingdom that managed the technical aspects of all chemical and product tankers (approximately 28 vessels) in the fleet that defendant CLIPPER WONSILD TANKERS commercially operated. As a technical manager, CLIPPER MARINE SERVICES was responsible for overseeing the day-to-day operations of the vessels, ensuring compliance with safety and environmental regulations, and ensuring that vessels were crewed by qualified personnel.

c. Defendant TROJAN SHIPPING CO., LTD. (hereinafter, "TROJAN SHIPPING"), was a Bahamian corporation with offices in the Bahamas, and was the registered owner of the M/T CLIPPER TROJAN.

d. Defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES and TROJAN SHIPPING were part of the Clipper Group A/S, an international shipping consortium that controlled approximately 240 vessels.

The M/T CLIPPER TROJAN

e. The M/T CLIPPER TROJAN was a Bahamas-registered, ocean-going chemical tanker weighing approximately 9,553 gross tons with an International Maritime Organization ("IMO") number of 9140451. The M/T CLIPPER TROJAN was owned by defendant TROJAN SHIPPING, commercially operated by defendant CLIPPER WONSILD TANKERS, and technically managed by defendant CLIPPER MARINE

SERVICES.

f. The M/T CLIPPER TROJAN had a crew of approximately 20 people, who were hired through a crewing agency based in Manila, the Philippines, on contract by defendant CLIPPER MARINE SERVICES.

g. Approximately seven seamen of different ranks worked in the M/T CLIPPER TROJAN's Engine Department, including a Chief Engineer, Second Engineer, Third Engineer, Fourth Engineer, Pipe Fitter, and two Motormen. A Motorman typically assisted the engineers in cleaning and maintaining engineering machinery. The Chief Engineer reported directly to the Master of the vessel, and both reported to shore-based managers of defendant CLIPPER MARINE SERVICES. The Chief Engineer had overall responsibility for the operation of the Engine Department, including the supervision of daily operations, formulation and implementation of engine room procedures, and verification that all systems, including certain pollution prevention equipment, were functioning properly.

h. On or about May 13, 2006, defendant CLIPPER MARINE SERVICES appointed co-conspirator Fernando Magnaye as Chief Engineer of the M/T CLIPPER TROJAN. As Chief Engineer, co-conspirator Fernando Magnaye, along with those who served under him in the Engine Department of the M/T CLIPPER TROJAN, acted as an officer and agent of defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES and TROJAN SHIPPING CO. with respect to

the engine room operations of the M/T CLIPPER TROJAN, any discharges or transfers of oily wastes from the M/T CLIPPER TROJAN, record-keeping relating to such discharges and transfers, and compliance with laws and regulations relating to such discharges, transfers and record-keeping.

The Act to Prevent Pollution from Ships and the MARPOL Protocol

i. The Act to Prevent Pollution from Ships ("APPS"), 33 U.S.C. §§ 1901 et seq., was enacted by Congress in or around 1980 to implement two related international treaties to which the United States is a signatory: the 1973 International Convention for the Prevention of Pollution from Ships and the Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships. Together, these treaties were known as the "MARPOL Protocol".

j. The MARPOL Protocol was the result of an international consensus that the significant pollution produced by ships in international waters could be prevented effectively only if each participating nation enforced the MARPOL Protocol's rules and regulations. APPS made the MARPOL Protocol applicable to vessels registered in the United States or operating in United States waters.

k. APPS also authorized the United States Coast Guard (the "Coast Guard"), now an agency within the Department of Homeland Security, to promulgate regulations implementing the

MARPOL Protocol. The Coast Guard's implementing regulations served to insure compliance with the MARPOL Protocol and to prevent pollution in United States waters. 33 U.S.C. §§ 1907(c)(1) and (c)(2); 33 C.F.R. §§ 151.01 et seq.

The Prevention of Oil Pollution from Ocean-Going Vessels

1. A principal source of water pollution addressed by the Coast Guard regulations and the MARPOL Protocol was the oil sludge and oil-contaminated water generated by virtually all large ships. The normal operation of an ocean-going ship produces a significant quantity of oil sludge due to the processing of fuel oil and lubricating oil. In addition, the engineering machinery of virtually all ocean-going vessels produces large amounts of oily water that collects in a ship's bilges and which must be discharged for the ship to remain seaworthy.

m. The oil sludge and oil-contaminated bilge water are collected in tanks designed to hold the oily wastes for proper disposal. On board the M/T CLIPPER TROJAN, the oil sludge was collected in a Bilge Sludge Oil Tank and the oil-contaminated bilge water was collected in the Bilge Tank. Crew members in the engine room of ocean-going ships, including the M/T CLIPPER TROJAN, measured or "sounded" the contents of the tanks into which oil sludge and bilge water were collected in order to determine when the oily waste was in need of disposal. Such

measurements were recorded in a "sounding log".

n. The MARPOL Protocol and regulations implemented pursuant to APPS provided that only water containing no more than fifteen parts of oil per million may be discharged directly into the sea. 33 C.F.R. §§ 151.10(a)(5) and (b)(3); MARPOL Annex I, Reg. 9(4). Oil-contaminated bilge water could be processed through a pollution-control device known as an Oily Water Separator, which removed oil contamination from bilge water to produce water containing no more than fifteen parts of oil per million, which was pumped overboard through an overboard discharge valve. APPS and the MARPOL Protocol also required that oil sludge, which could not be processed through pollution control equipment, had to be disposed of by either off-loading it to shore or burning it in a ship's incinerator.

The Requirement that Vessels Maintain an Oil Record Book

o. To insure that oily wastes were properly processed and disposed of, the regulations implemented pursuant to APPS and the MARPOL Protocol provided that with regard to vessels of more than 400 gross tons, the person or persons in charge of an operation involving the transfer or disposal of oily wastes was required to fully record every operation, without delay and on a tank to tank basis, in a log known as an Oil Record Book. Any transfer or disposal of oily waste was required to be recorded in the Oil Record Book. 33 C.F.R. §§ 151.25(a), (d), and (h);

MARPOL Annex I, Reg. 20. For example, upon incineration of oil sludge, the responsible officer was required to record the quantity of oil sludge disposed of, the tanks emptied, the total time of the operation, and the date of the operation. The responsible officer also was required to sign or initial his name after every entry in the Oil Record Book.

The Coast Guard's Authority

p. The Coast Guard was authorized to conduct inspections to determine whether vessels in U.S. waters were in compliance with MARPOL, APPS and other applicable federal regulations. In connection with inspections, the Coast Guard was authorized to examine the vessel's Oil Record Book to determine, among other things, whether the vessel had operable pollution prevention equipment, whether it posed a danger to United States ports and waters, and whether the vessel had discharged oily waste in violation of law. 33 C.F.R. §§ 151.23(a)(3) and 151.23(c). In conducting inspections, the Coast Guard relied on a ship's Oil Record Book and statements of the crew to determine whether the vessel's crew was properly handling oily waste. 33 C.F.R. § 151.23(c).

q. With regard to the improper disposal of oily wastes in international waters, the Coast Guard was authorized, upon entry of a vessel into United States waters, to deny the vessel entry into a United States port, 33 U.S.C. §§ 1223,

1228(a), or to detain a vessel for inspection and investigation by the nation in which the ship was registered, 33 U.S.C. § 1223(b)(1).

r. As an ocean-going chemical tanker weighing more than 400 gross tons, the M/T CLIPPER TROJAN was required to maintain an accurate Oil Record Book. On the M/T CLIPPER TROJAN, the Chief Engineer was responsible for recording transfers and disposals of oil in the Oil Record Book and was required to sign or initial next to each such entry.

The Conspiracy

2. From at least as early as on or about January 5, 2006 through on or about June 15, 2006, in Port Newark and the internal waters and ports of the United States, in the District of New Jersey, and elsewhere, defendants

CLIPPER WONSILD TANKERS HOLDING A/S,
CLIPPER MARINE SERVICES A/S, and
TROJAN SHIPPING CO., LTD.,

by and through the acts of their agents and employees, including co-conspirator Fernando Magnaye and others serving under him in the Engine Department of the M/T CLIPPER TROJAN, who were acting within the scope of their agency and employment and with the intent to benefit the defendants, did knowingly and willfully conspire and agree with each other and others to:

- A. Defraud the United States: To hamper, hinder, impede, impair and obstruct by craft, trickery, deceit, and dishonest means, the lawful and legitimate functions of the United States Coast Guard in enforcing the MARPOL Protocol, APPS, and the regulations promulgated thereunder; and
- B. Violate the laws of the United States as set forth below:
 - (i) Failure to Maintain an Oil Record Book: To knowingly and willfully violate the MARPOL Protocol, Chapter 33 of Title 33 of the United States Code, and the regulations issued thereunder by failing to maintain an Oil Record Book for the M/T CLIPPER TROJAN in which all discharges, disposals and transfers of oil and oily waste, including all overboard discharges of oil sludge and oil-contaminated bilge water, were fully recorded, contrary to Title 33, United States Code, Section 1908(a) and Title 33, Code of Federal Regulations, Sections 151.25(a) and 151.25(h);

- (ii) False Statements and Writings: To knowingly and willfully make materially false, fictitious, and fraudulent statements and representations, and make and use false writings and documents knowing the same to contain materially false, fictitious, and fraudulent statements and entries, in a matter within the jurisdiction of the Executive Branch of the United States, namely the United States Coast Guard and the Department of Homeland Security, contrary to Title 18, United States Code, Section 1001;
- (iii) Obstruction of Proceedings: To corruptly influence, obstruct and impede, and endeavor to influence, obstruct, and impede the due and proper administration of the law under which a pending proceeding, namely, an inspection and investigation of the M/T CLIPPER TROJAN, was being had before a department and agency of the United States, namely, the United States Coast Guard and the Department of Homeland Security, contrary to Title 18, United States Code, Section 1505; and
- (iv) Concealment of Tangible Objects in Federal Investigation: To knowingly and willfully alter, destroy, mutilate, conceal, and cover up a tangible object with the intent to impede, obstruct and influence the investigation and proper administration of a matter, namely an inspection and investigation of the M/T CLIPPER TROJAN, within the jurisdiction of a department and agency of the United States, namely the United States Coast Guard and the Department of Homeland Security, contrary to Title 18, United States Code, Section 1519.

Objects of the Conspiracy

3. It was an object of the conspiracy to illegally discharge oil sludge and oil-contaminated bilge water directly into the ocean and to conceal and cover up the illegal discharges to avoid detection by governmental authorities.

Manner and Means

4. Among the manner and means used by the defendants and their co-conspirators to effectuate this conspiracy and to further its objectives were the following:

a. It was part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING created and maintained, on paper, separate corporate entities when, in fact, all three defendants operated as a single entity and as agents for one another.

b. It was further part of the conspiracy that, with respect to the MARPOL Protocol, APPS, and the regulations promulgated thereunder, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING failed to provide sufficient training to crew members of the M/T CLIPPER TROJAN and failed to diligently enforce company policies.

c. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING caused crew members of the M/T CLIPPER TROJAN to execute affidavits falsely certifying that the crew members had

received briefings on the MARPOL Protocol and APPS before the crew members boarded the M/T CLIPPER TROJAN.

d. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING maintained a special bypass hose on board the M/T CLIPPER TROJAN that was used to pump oil sludge and oil-contaminated bilge water directly overboard.

e. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, in order to pump oil sludge and oil-contaminated bilge water directly overboard, removed an elbow assembly that connected the Oily Water Separator to the overboard discharge valve and replaced it with the special bypass hose, which was connected at the other end to either the Bilge Sludge Oil Tank or Bilge Tank.

f. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, in order to avoid detection, conducted the improper discharges of oily waste at night and, once the pumping was complete, disassembled the bypass hose connection and replaced the elbow assembly on the overboard discharge valve.

g. It was further part of the conspiracy that on or about the dates and in the amounts listed in the table below, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and

TROJAN SHIPPING used the bypass hose to discharge and cause the discharge of oil-contaminated bilge waste directly overboard into the ocean, thus bypassing the Oily Water Separator and other required pollution prevention equipment:

| Discharges of Contaminated Bilge | |
|----------------------------------|-------------------------------------|
| Date | Approximate Quantity (cubic meters) |
| March 19-20, 2006 | 11.72 |
| March 31-April 1, 2006 | 3.33 |
| April 15-16, 2006 | 4.945 |
| April 22-23, 2006 | 2.75 |
| May 2-3, 2006 | 4.145 |
| May 15-16, 2006 | 1.97 |
| May 18-20, 2006 | 5.65 |
| June 4-5, 2006 | 3.615 |

h. It was further part of the conspiracy that on or about the dates and in the amounts listed in the table below, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING used the bypass hose to discharge and cause the discharge from the M/T CLIPPER TROJAN of oil sludge directly overboard into the ocean rather than incinerating or off-loading the oil sludge as required under the MARPOL Protocol:

| Discharges of Oil Sludge | |
|--------------------------|-------------------------------------|
| Date | Approximate Quantity (cubic meters) |
| May 23-24, 2006 | 1.59 |
| May 31-June 1, 2006 | 2.29 |

i. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, in order to conceal the overboard discharges of oily waste, failed to record the overboard discharges of oil sludge and oil-contaminated bilge water in the Oil Record Book for the M/T CLIPPER TROJAN, and made affirmatively false entries in the Oil Record Book stating that the oil sludge had been incinerated and that the oil-contaminated bilge water had been processed in the Oily Water Separator.

j. It was further part of the conspiracy that on or about June 15, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING knowingly maintained and caused to be maintained, and had available for inspection, a materially false Oil Record Book for the M/T CLIPPER TROJAN during its port call in Port Newark, New Jersey, and presented such false Oil Record Book to the Coast Guard during the Coast Guard's inspection of the M/T CLIPPER TROJAN on or about June 15, 2006 knowing that it contained material omissions and materially false, fictitious and fraudulent entries.

k. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING affirmatively attempted to conceal the overboard discharges of oily waste by, among other things, painting the overboard discharge valve prior to entering U.S. waters and secreting the bypass hose and pump that were used for the discharges in a workshop.

l. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING attempted to impede, obstruct, and influence the Coast Guard's investigation into improper discharges of oily waste and false record-keeping practices by knowingly making false statements to the Coast Guard which included the claims that the M/T CLIPPER TROJAN's Oil Record Book was accurate; that no illegal or improper overboard discharges of oily waste had occurred aboard the M/T CLIPPER TROJAN; that the hose and pump used to discharge oily waste overboard had been used instead to transfer fuel from a forward tank to an aft tank; and that the M/T CLIPPER TROJAN had offloaded oil sludge during a port call in Albany, New York on or about June 11-14, 2006.

m. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING attempted to impede, obstruct, and influence the Coast Guard's investigation by directing various crew members to

make false statements to the Coast Guard.

n. It was further part of the conspiracy that defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING attempted to impede, obstruct, and influence the Coast Guard's investigation by fabricating and deploying a device that would ensure that the Coast Guard took a false reading of the contents of the Bilge Sludge Oil Tank, and then throwing the device overboard after the Coast Guard's inspection on or about June 15, 2006.

Overt Acts

5. In furtherance of the conspiracy and to effect the objects thereof, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the acts of their agents and employees, who were acting within the scope of their agency and employment and with the intent to benefit the defendants, committed and caused to be committed within Port Newark, in the District of New Jersey, and elsewhere, the following overt acts among others:

a. Overt Act 1: From on or about January 5, 2006 to on or about January 31, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING caused crew members of the M/T CLIPPER TROJAN to execute affidavits falsely certifying that the crew members had received briefings on the MARPOL Protocol and APPS.

b. Overt Acts 2-11: On or about the dates listed in the table below, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the Chief Engineer of the M/T CLIPPER TROJAN, omitted illegal and improper discharges of oil sludge and oil-contaminated bilge water from entries made in the Oil Record Book of the M/T CLIPPER TROJAN:

| Overt Acts 2-11 (Omissions of Overboard Discharges) | |
|--|------------------------|
| Overt Act | Date |
| 2 | March 19-20, 2006 |
| 3 | March 31-April 1, 2006 |
| 4 | April 15-16, 2006 |
| 5 | April 22-23, 2006 |
| 6 | May 2-3, 2006 |
| 7 | May 15-16, 2006 |
| 8 | May 18-20, 2006 |
| 9 | May 23-24, 2006 |
| 10 | May 31-June 1, 2006 |
| 11 | June 4-5, 2006 |

c. Overt Acts 12-18: On or about the dates listed in the table below, among others, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the Chief Engineer of the M/T CLIPPER TROJAN, created entries in the Oil Record Book of the M/T CLIPPER TROJAN falsely stating that oil sludge had been incinerated or that oil-contaminated bilge water had been processed through the Oily Water Separator:

| Overt Acts 12-18 (Affirmatively False Entries in ORB) | |
|--|--------------|
| Overt Act | Date |
| 12 | May 18, 2006 |
| 13 | May 23, 2006 |
| 14 | May 24, 2006 |
| 15 | June 4, 2006 |
| 16 | June 5, 2006 |
| 17 | June 6, 2006 |
| 18 | June 7, 2006 |

d. Overt Act 19: On or about June 15, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the Chief Engineer of the M/T CLIPPER TROJAN, presented and caused to be presented for inspection to the Coast Guard a false Oil Record Book for the M/T CLIPPER TROJAN.

e. Overt Act 20: On or before June 15, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and

TROJAN SHIPPING, by and through the Chief Engineer and Pipe Fitter of the M/T CLIPPER TROJAN, painted the overboard discharge valve of the M/T CLIPPER TROJAN and maintained the newly painted overboard discharge valve during the Coast Guard's inspection on or about June 15, 2006.

f. Overt Acts 21-24: On or about June 15, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the Chief Engineer of the M/T CLIPPER TROJAN, knowingly made the following false statements to Coast Guard inspectors:

| Overt Acts 21-24 (False Statements) | |
|--|--|
| Overt Act | False Statement |
| 21 | that the M/T CLIPPER TROJAN's Oil Record Book was accurate |
| 22 | that no illegal or improper discharges of oily waste had occurred aboard the M/T CLIPPER TROJAN |
| 23 | that the pipes and pump used to discharge oily waste overboard had been used instead to transfer fuel from a forward tank to an aft tank |
| 24 | that the M/T CLIPPER TROJAN had offloaded oily waste during a port call in Albany, New York on June 11-14, 2006 |

g. Overt Act 25: On or about June 15, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the Chief Engineer of the M/T CLIPPER TROJAN, directed the Fourth Engineer, Pipe Fitter, and two Motormen to deny to the Coast Guard that any discharges of

oily waste had occurred aboard the M/T CLIPPER TROJAN.

h. Overt Act 26: On or about June 15, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the Chief Engineer of the M/T CLIPPER TROJAN, directed the Second Engineer to claim responsibility for the transfer of oil sludge and oil-contaminated bilge waste.

i. Overt Act 27: On or about June 15, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the Chief Engineer, Pipe Fitter and Fourth Engineer of the M/T CLIPPER TROJAN, fabricated and deployed a pipe that would render a false reading of the contents of the Bilge Sludge Oil Tank during the Coast Guard's anticipated sounding of that tank, and kept the pipe in place during the Coast Guard's inspection on or about June 15, 2006.

j. Overt Act 28: On or about June 15, 2006, defendants CLIPPER WONSILD TANKERS, CLIPPER MARINE SERVICES, and TROJAN SHIPPING, by and through the Fourth Engineer of the M/T CLIPPER TROJAN, disposed of the pipe that had been fabricated to render a false reading of the contents of the Bilge Sludge Oil Tank during the Coast Guard's anticipated sounding of that tank.

In violation of Title 18, United States Code, Section 371.

COUNT TWO

**(Act to Prevent Pollution from Ships -
33 U.S.C. § 1908(a), 18 U.S.C. § 2)**

1. Paragraphs 1 and 3 through 5 of Count One of this Indictment are re-alleged and incorporated herein.

2. On or about June 15, 2006, in Port Newark and the internal waters and ports of the United States, in the District of New Jersey, and elsewhere, defendants

CLIPPER WONSILD TANKERS HOLDING A/S,
CLIPPER MARINE SERVICES A/S, and
TROJAN SHIPPING CO., LTD.,

by and through the acts of their agents and employees, including the Chief Engineer of the M/T CLIPPER TROJAN, who were acting within the scope of their agency and employment and with the intent to benefit the defendants, did knowingly and willfully violate the MARPOL Protocol, Chapter 33 of Title 33 of the United States Code, and the regulations issued thereunder, including Title 33, Code of Federal Regulations, Section 151.25, by failing to maintain an Oil Record Book for the M/T CLIPPER TROJAN in which all discharges, disposals and transfers of oil and oily waste, including all overboard discharges of oil sludge and oil-contaminated bilge water, were fully recorded.

In violation of Title 33, United States Code, Section 1908(a) and Title 18, United States Code, Section 2.

COUNT THREE

(False Writings - 18 U.S.C. §§ 1001(a)(3) and 2)

1. Paragraphs 1 and 3 through 5 of Count One of this Indictment are re-alleged and incorporated herein.

2. On or about June 15, 2006, in Port Newark and the internal waters and ports of the United States, in the District of New Jersey, defendants

CLIPPER WONSILD TANKERS HOLDING A/S,
CLIPPER MARINE SERVICES A/S, and
TROJAN SHIPPING CO., LTD.,

by and through the acts of their agents and employees, including the Chief Engineer of the M/T CLIPPER TROJAN, who were acting within the scope of their agency and employment and with the intent to benefit the defendants, did knowingly and willfully make and use materially false writings and documents, namely the Oil Record Book for the M/T CLIPPER TROJAN, in a matter within the jurisdiction of the Executive Branch of the United States, namely the United States Coast Guard and Department of Homeland Security, knowing that such writings and documents contained materially false, fictitious, and fraudulent statements and entries.

In violation of Title 18, United States Code, Sections 1001(a)(3) and 2.

COUNTS FOUR THROUGH TEN

(Obstruction of Justice - 18 U.S.C. §§ 1505 and 2)

1. Paragraphs 1 and 3 through 5 of Count One of this Indictment are re-alleged and incorporated herein.

2. On or about June 15, 2006, in Port Newark and the internal waters and ports of the United States, in the District of New Jersey and elsewhere, defendants

CLIPPER WONSILD TANKERS HOLDING A/S,
CLIPPER MARINE SERVICES A/S, and
TROJAN SHIPPING CO., LTD.,

by and through the acts of their agents and employees, including the crew members of the M/T CLIPPER TROJAN identified in the table below, who were acting within the scope of their agency and employment and with the intent to benefit the defendants, did corruptly influence, obstruct, and impede, and endeavor to influence, obstruct and impede, the due and proper administration of the law under which a pending proceeding, namely, an inspection and investigation of the M/T CLIPPER TROJAN pursuant to 33 U.S.C. §§ 1907(c)(1) and (c)(2) and 33 C.F.R. §§ 151.01 et seq., was being had before a department and agency of the United States, namely, the United States Coast Guard and the Department of Homeland Security, by committing the acts identified and described in the table below.

| Obstruction of Justice Counts | | |
|-------------------------------|--|--|
| Count | Crew Member(s) | Obstructive Act |
| 4 | Chief Engineer, Pipe Fitter | painting the overboard discharge valve before the M/T CLIPPER TROJAN entered United States waters in order to conceal its use for the discharge of oily waste, and maintaining the newly painted overboard discharge valve during the Coast Guard's inspection on or about June 15, 2006 |
| 5 | Chief Engineer | knowingly making the false statement to Coast Guard inspectors that the M/T CLIPPER TROJAN's Oil Record Book was accurate and that no illegal or improper discharges of oily waste had occurred aboard the M/T CLIPPER TROJAN |
| 6 | Chief Engineer | knowingly making the false statement to Coast Guard inspectors that the M/T CLIPPER TROJAN had offloaded oily waste during a port call in Albany, New York on or about June 11-14, 2006 |
| 7 | Chief Engineer | knowingly making the false statement to Coast Guard inspectors that the pipes and pump used to discharge oily waste overboard had been used instead to transfer fuel from a forward tank to an aft tank |
| 8 | Chief Engineer | directing the Fourth Engineer, Pipe Fitter, and two Motormen to deny to the Coast Guard that any discharges of oily waste had occurred aboard the M/T CLIPPER TROJAN |
| 9 | Chief Engineer | directing the Second Engineer to claim responsibility for the transfer and disposal of oil sludge and oil-contaminated bilge waste when, in fact, such transfers had been directed by the Chief Engineer |
| 10 | Chief Engineer, Fourth Engineer, Pipe Fitter | fabricating and deploying a pipe that would render a false reading of the contents of the Bilge Sludge Oil Tank during the Coast Guard's anticipated sounding of that tank |

In violation of Title 18, United States Code, Sections
1505 and 2.

COUNT ELEVEN

(Concealment of Tangible Object - 18 U.S.C. §§ 1519 and 2)

1. Paragraphs 1 and 3 through 5 of Count One of this Indictment are re-alleged and incorporated herein.

2. On or about June 15, 2006, in Port Newark and the internal waters and ports of the United States, in the District of New Jersey, and elsewhere, defendants

CLIPPER WONSILD TANKERS HOLDING A/S,
CLIPPER MARINE SERVICES A/S, and
TROJAN SHIPPING CO., LTD.,

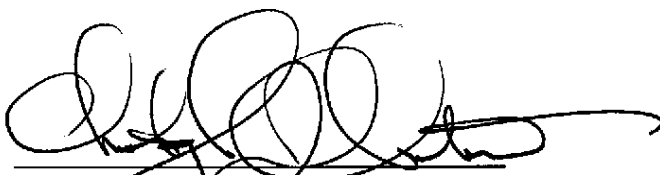
by and through the acts of their agents and employees, including the Fourth Engineer of the M/T CLIPPER TROJAN, who were acting within the scope of their employment and with the intent to benefit the defendants, did knowingly and willfully alter, destroy, mutilate, conceal, and cover up a tangible object with the intent to impede, obstruct and influence the investigation and proper administration of a matter, namely an inspection and investigation of the M/T CLIPPER TROJAN pursuant to 33 U.S.C. §§ 1907(c)(1) and (c)(2) and 33 C.F.R. §§ 151.01 et seq., within the jurisdiction of a department and agency of the United States, namely the United States Coast Guard and the Department of Homeland Security, by discarding the pipe that had been fabricated to render a false reading of the contents of the Bilge

Sludge Oil Tank during the Coast Guard's anticipated sounding of that tank.

In violation of Title 18, United States Code, Sections 1519 and 2.

A TRUE BILL




CHRISTOPHER J. CHRISTIE
United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

**CLIPPER WONSILD TANKERS HOLDING A/S,
CLIPPER MARINE SERVICES A/S, and
TROJAN SHIPPING CO., LTD.**

INDICTMENT FOR

**18 U.S.C. §§ 371, 1001, 1505, 1519 & 2
33 U.S.C. § 1908**

A True Bill,

CHRISTOPHER M. ...

**U.S. ATTORNEY
NEWARK, NEW JERSEY**

**BRADLEY A. HARSCH
ASSISTANT U.S. ATTORNEY
(973) 645-2700**