

**United States District Court**  
SOUTHERN DISTRICT OF ALABAMA

**UNITED STATES OF AMERICA**  
**V.**

**JUDGMENT IN A CRIMINAL CASE**  
(For Organizational Defendants)

**DSD SHIPPING, AS**

CASE NUMBERS: **1:15-CR-00102-001**  
**1:15-CR-00179-001**

**Thomas N. Keihnhoff, Esquire**  
**Steven P. Solow, Esquire**  
\_\_\_\_\_  
Defendant's Attorney

**THE DEFENDANT:**

- ☐ pleaded guilty to count \_\_\_\_.
- ☐ pleaded nolo contendere to count(s) \_\_ which was accepted by the court.
- ☒ was found guilty on counts 1, 2, 3, 4, 5 & 7 in 1:15-cr-102 & 1 & 2 in 1:15-CR-179 on 11/6/2015 after a plea of not guilty.

**The defendant is adjudicated guilty of the following offenses in 1:15-cr-102:**

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Date Offense Concluded</u>	<u>Count Nos.</u>
18 USC § 371	Conspiracy to defraud the United States.	11/12/2014	1

**(Additional counts of conviction on next page.)**

**The defendant is sentenced as provided in pages 2 through 5 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.**

☒ The defendant was acquitted by the jury on counts 6 in 1:15-cr-102 & 3 in 1:15-cr-179 on 11/6/2015.

☐ Count(s) \_\_ is/are dismissed on the motion of the United States.

IT IS ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant shall notify the court and the United States attorney of any material change in the defendant's economic circumstances.

April 7, 2016

\_\_\_\_\_  
Date of Imposition of Judgment

/s/ Callie V. S. Granade

\_\_\_\_\_  
SENIOR UNITED STATES DISTRICT JUDGE

April 11, 2016

\_\_\_\_\_  
Date

AO 245B (Rev. 06/05) Judgment in a Criminal Case: Sheet 1 Continued

Defendant: **DSD SHIPPING, AS**Case Numbers: **1:15-CR-00102-001 & 1:15-CR-00179-001****ADDITIONAL COUNTS OF CONVICTION**

<b><u>Title &amp; Section</u></b>	<b><u>Nature of Offense</u></b>	<b><u>Date Offense Concluded</u></b>	<b><u>Count Numbers</u></b>
33 USC § 1908(a) & 18 USC § 2	Knowing failure to maintain accurate Oil Record Book - Act to Prevent Pollution from Ships; aiding & abetting.	11/12/2014	2
33 USC § 1908(a) & 18 USC § 2	Knowing failure to maintain accurate Garbage Record Book - Act to Prevent Pollution from Ships; aiding & abetting.	11/12/2014	3
18 USC § 1519 & 18 USC § 2	Obstruction of justice; aiding & abetting.	11/12/2014	4, 5
18 USC § 1512(b)	Witness tampering.	11/19/2014	7

**The defendant is adjudicated guilty of the following offenses in 1:15-cr-179:**

<b><u>Title &amp; Section</u></b>	<b><u>Nature of Offense</u></b>	<b><u>Date Offense Concluded</u></b>	<b><u>Count Numbers</u></b>
33 USC § 1908(a) & 18 USC § 2	Knowing failure to maintain accurate Oil Record Book - Act to Prevent Pollution from Ships; aiding & abetting	11/3/2014	1
18 USC § 1519 & 18 USC § 2	Obstruction of justice; aiding & abetting	11/3/2014	2

AO 245B (Rev. 06/05) Judgment in a Criminal Case: Sheet 4 - Probation

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Defendant: **DSD SHIPPING, AS**

Case Numbers: **1:15-CR-00102-001 & 1:15-CR-00179-001**

## **PROBATION**

The defendant is hereby placed on probation for a term of **3 years as to each of Counts 1, 2, 3, 4, 5 & 7 in 1:15-cr-102, and Counts 1 & 2 in 1:15-cr-179, all said terms to run concurrently.**

**SPECIAL CONDITIONS: 1) The Defendant is to fund and implement the environmental compliance plan attached to the presentence report. The Court will approve the monitor agreed upon by the parties. 2) The Defendant is to make a community service payment to the Dauphin Island Sea Lab Foundation in the amount of \$500,000.00. The defendant shall not characterize, publicize or refer to the community service payment as a voluntary donation or contribution nor shall the defendant seek any reduction in its tax obligations as a result of having made the community service payment. In addition, the conditions requested by the government in terms of reporting by the Dauphin Island Sea Lab Foundation shall be part of this sentence. As a condition of the acceptance of this community service payment, the Government requests that Dauphin Island Sea Lab Foundation provide an annual accounting of how it has spent the funds to the Probation Office, the United States Attorney's Office for the Southern District of Alabama, the Department of Justice Environmental Crimes Section, the United States Coast Guard Investigative Services, and the Environmental Protection Agency - Criminal Investigation Division. As a further condition, the Court will require that Dauphin Island Sea Lab allow entry, including unannounced entry into its physical locations for the purpose of inspecting physical conditions, interviewing employees and reviewing relevant documents by these agencies.**

If this judgment imposes a fine or a restitution obligation, it shall be a condition of probation that the defendant pay any such fine or restitution in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

If this judgment imposes a fine or a restitution obligation, it is a condition of probation that the defendant organization pay in accordance with the Schedule of Payments of this judgment.

The defendant organization must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page (if indicated below).

**The defendant shall not commit another federal, state or local crime.**

**The defendant shall comply with the standard conditions that have been adopted by this court (as set forth below).**

**The defendant shall also comply with the additional conditions on the attached page (if applicable).**

## **STANDARD CONDITIONS OF SUPERVISION**

- 1) within thirty days from the date of this judgment, the defendant organization shall designate an official of the organization to act as the organization's representative and to be the primary contact with the probation officer;
- 2) the defendant organization shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 3) the defendant organization shall notify the probation officer ten days prior to any change in principal business or mailing address;
- 4) the defendant organization shall permit a probation officer to visit the organization at any of its operating business sites;
- 5) the defendant organization shall notify the probation officer within seventy-two hours of any criminal prosecution, major civil litigation, or administrative proceeding against the organization;
- 6) the defendant organization shall not dissolve, change its name, or change the name under which it does business unless this judgment and all criminal monetary penalties imposed by this court are either fully satisfied or are equally enforceable against the defendant's successors or assignees; and
- 7) the defendant organization shall not waste, nor without permission of the probation officer, sell, assign, or transfer its assets.

AO 245B (Rev. 06/05) Judgment in a Criminal Case: Sheet 5, Part A - Criminal Monetary Penalties

Defendant: **DSD SHIPPING, AS**Case Numbers: **1:15-CR-00102-001 & 1:15-CR-00179-001****CRIMINAL MONETARY PENALTIES**

The defendant shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth on Sheet 5, Part B.

	<b>Assessment</b>	<b>Fine</b>	<b>Community Restitution</b>
<b>Totals:</b>	<b>\$3,200.00</b>	<b>\$2,000,000.00</b>	<b>\$500,000.00</b>

☐ The determination of restitution is deferred until \_\_\_\_\_. An Amended Judgment in a Criminal Case (AO 245C) will be entered after such a determination.

☒ The defendant shall make restitution (including community restitution) to the following payees in the amounts listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportional payment unless specified otherwise in the priority order or percentage payment column below. (or see attached)  
However, pursuant to 18 U.S.C. § 3644(i), all nonfederal victims must be paid in full prior to the United States receiving payment.

<b>Name and Address of Payee</b>	<b>Amount of Restitution Ordered</b>
<b>Dauphin Island Sea Lab Foundation</b>	<b>\$500,000.00</b>

**TOTAL: \$500,000.00**

☐ If applicable, restitution amount ordered pursuant to plea agreement. \$

☐ The defendant shall pay interest on any fine or restitution of more than \$2,500, unless the fine or restitution is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 5, Part B may be subject to penalties for default, pursuant to 18 U.S.C. § 3612(g).

☐ The court determined that the defendant does not have the ability to pay interest and it is ordered that:

☐ The interest requirement is waived for the ☐ fine and/or ☐ restitution.

☐ The interest requirement for the ☐ fine and/or ☐ restitution is modified as follows:

**\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18, United States Code, for offenses committed on or after September 13, 1994 but before April 23, 1996.**

AO 245B (Rev. 06/05) Judgment in a Criminal Case: Sheet 5, Part B - Schedule of Payments

Defendant: **DSD SHIPPING, AS**Case Numbers: **1:15-CR-00102-001 & 1:15-CR-00179-001****SCHEDULE OF PAYMENTS**

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties shall be due as follows:

- A** ☒ Lump sum payment of the **\$3,200.00 in special assessments, \$2,000,000.00 fine, and \$500,000.00 community restitution** is due immediately, balance due ☒ **within twenty-four (24) hours of 4/7/2016**, and ☐ in accordance with ☐ C, ☐ D, ☐ E or ☐ F below; or
- B** ☐ Payment to begin immediately (may be combined with ☐ C, ☐ D, ☐ E or ☐ F below); or
- C** ☐ Payment in \_\_\_\_ (e.g., equal, weekly, monthly, quarterly) installments of \$ \_\_\_\_ over a period of \_\_\_\_ (e.g., months or years), to commence \_\_\_\_ (e.g., 30 or 60 days) after the date of this judgment; or
- D** ☐ Payment in \_\_\_\_ (e.g., equal, weekly, monthly, quarterly) installments of \$ \_\_\_\_ over a period of \_\_\_\_ (e.g., months or years), to commence \_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E** ☐ Payment during the term of supervised release will commence within \_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F** ☐ Special instructions regarding the payment of criminal monetary penalties:

Unless the court has expressly ordered otherwise in the special instructions above, if this judgment imposes a period of imprisonment payment of criminal monetary penalties shall be due during the period of imprisonment. All criminal monetary penalty payments, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are to be made to the clerk of court, unless otherwise directed by the court, the probation officer, or the United States attorney.

The defendant will receive credit for all payments previously made toward any criminal monetary penalties imposed.

- ☐ Joint and Several:
- ☐ The defendant shall pay the cost of prosecution.
- ☐ The defendant shall pay the following court cost(s):
- ☐ The defendant shall forfeit the defendant's interest in the following property to the United States:

**Payments shall be applied in the following order: (1) assessment; (2) restitution principal; (3) restitution interest, (4) fine principal; (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.**