

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

FILED
MAR 08 2007
CLERK, U. S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE, FLORIDA

UNITED STATES OF AMERICA

v.

KASSIAN MARITIME NAVIGATION
AGENCY, LTD.
SPYRIDON MARKOU

Case No.: 3:07-cr-48-J-25 MCR
Ct 1: 33 U.S.C. §1908(a)
Ct 2: 18 U.S.C. §1001(a)(3)
Ct 3: 18 U.S.C. §§1505 and
1515(b)

INDICTMENT

The Grand Jury charges:

At all times relevant to this indictment:

INTRODUCTION

1. The *M/V North Princess* was a 38,232-ton ocean-going bulk cargo ship that was approximately 800.5 feet in length. The *M/V North Princess* was operated by defendant KASSIAN MARITIME NAVIGATION AGENCY, LTD., a company incorporated in Liberia and operating out of Greece. The *M/V North Princess* was registered in Malta, and had an International Maritime Organization (IMO) number of 9123128.

2. The *M/V North Princess* was engaged in the carriage of bulk cargo to ports in the United States. On or about November 14, 2006, the *M/V North Princess* left Columbia en route to the United States. The *M/V North Princess* arrived in Jacksonville, Florida, within the Middle District of Florida, on or about November 20, 2006. There, the United States Coast Guard ("U.S. Coast Guard") conducted an inspection of the *M/V North Princess* and subsequently initiated a criminal investigation.

3. Defendant SPYRIDON MARKOU was the Second Engineer aboard the *M/V North Princess*. As Second Engineer, he was second-in-charge of the engine room.

4. Marine vessels like the *M/V North Princess* generate large quantities of oil-contaminated waste. Engine Department operations on large marine vessels like the *M/V North Princess* generate large quantities of sludge created when fuel oil used to fuel the ship is purified by the ship's oil purifiers. The sludge was supposed to be disposed of either by incineration or by off-loading it at a port through the use of a licensed hauler. Marine vessels like the *M/V North Princess* also generate large quantities of oil-contaminated bilge waste created when water mixes in the bottom of the vessel, known as the bilges, with oil leaked and dripped from the engines' lubrication and fuel systems. These "oily mixtures" are also known as "bilge slops" and "slops from bilges" and were supposed to be collected, stored, and processed to separate the water from the oil and other wastes using a pollution prevention control device known as an Oil Water Separator and oil-sensing device known as an Oil Content Meter. The Oil Content Meter was designed to evaluate the oil content in a sample of the effluent after passing through the Oil Water Separator. If the Oil Content Meter determined that the oil content of the effluent exceeded fifteen (15) parts per million ("ppm"), then an audio and visual alarm would sound and a solenoid three-way valve would be triggered to redirect the effluent to a storage tank aboard the vessel. If the Oil Content Meter determined that the oil content in the effluent was fifteen (15) ppm or less, then the effluent was discharged overboard.

LEGAL FRAMEWORK

5. The United States was part of an international regime that regulates the discharge of oil from vessels at sea: the International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978 (the "MARPOL Protocol"). The MARPOL Protocol was embodied in agreements that the United States had ratified and had been implemented in the United States by the Act to Prevent Pollution from Ships ("APPS"), 33 U.S.C. §§ 1901, et seq. APPS made it a crime for any person to knowingly violate the MARPOL Protocol, APPS, or regulations promulgated under APPS. These regulations applied to all commercial vessels operating in the navigable waters of the United States or while in a port or terminal under the jurisdiction of the United States, including vessels operating under the authority of a country other than the United States.

6. The MARPOL Protocol established an international regime for the treatment and disposal of oily mixtures generated from the machinery spaces of a vessel. Under the MARPOL Protocol, machinery space waste would be discharged overboard into the ocean only if it did not exceed fifteen (15) ppm of oil and the ship had in operation required pollution prevention equipment, to include oil filtering equipment (e.g., an Oil Water Separator), an alarm and an automatic stopping device (e.g., an Oil Content Meter and a solenoid three-way valve) to prevent the discharge of a mixture containing more than the legally permitted concentration of oil.

7. Consistent with the MARPOL Protocol requirements, the APPS regulations required that a vessel other than an oil tanker of 400 gross tons or more maintain a record known as an Oil Record Book, in which the disposal of oil residue and

the discharge overboard and disposal otherwise of sludge, oily mixtures, slops from bilges and bilge water that has accumulated in machinery spaces must be recorded. 33 C.F.R. § 151.25(a) and (d). Discharges from the machinery spaces of the ship had to be fully and accurately recorded in the Oil Record Book without delay by the person in charge of the operations. 33 C.F.R. §§ 151.25(d) and (h). Any emergency, accidental, or other exceptional discharges of oil or mixtures, including a statement of the circumstances of, and reasons for, the discharge was also required to be recorded in the Oil Record Book. 33 C.F.R. § 151.25(g). The Oil Record Book had to be maintained onboard the vessel for not less than three years, and be readily available for inspection at all times. 33 C.F.R. § 151.25(k).

8. The U.S. Coast Guard, an agency of the United States Department of Homeland Security, was charged with enforcing the laws of the United States and was empowered under Title 14, United States Code, section 89(a), to board vessels, to conduct inspections and investigations of potential violations, and to determine compliance with the MARPOL Protocol, APPS, and related regulations. In conducting inspections, U.S. Coast Guard personnel relied on the statements of the vessel's crew and documents, including information contained in the Oil Record Book. The U.S. Coast Guard was specifically authorized to examine a vessel's Oil Record Book. 33 C.F.R. §§ 151.23(a)(3) & (c).

COUNT ONE

Paragraphs 1 through 8 are realleged and incorporated by reference as if fully set forth herein.

On or about November 20, 2006, within the internal waters of the United States and while in port in the Middle District of Florida,

KASSIAN MARITIME NAVIGATION AGENCY, LTD.,

the defendant herein, acting through its agents and employees, who were acting within the scope of their agency and employment, and for the benefit of defendant KASSIAN MARITIME NAVIGATION AGENCY, LTD., did knowingly fail to maintain an Oil Record Book for the *M/V North Princess* in which all disposals of oil residue and discharges overboard and disposals otherwise or oily mixtures, slops from bilges and bilge water that accumulated in the machinery spaces and elsewhere aboard the *M/V North Princess* were fully recorded, to wit: the defendant failed to fully maintain an accurate oil record book for the *M/V North Princess* on or about November 20, 2006, during a U.S. Coast Guard inspection to determine the compliance of the *M/V North Princess* with United States law, and while the ship was in port and within the internal waters of the Middle District of Florida, by failing to disclose exceptional discharges of oil-contaminated waste made through a bypass pipe and without the use of a properly functioning oil water separator and oil content meter and containing false information about quantities of oil-contaminated waste on board the vessel.

All in violation of Title 33, United States Code, Section 1908(a) and Title 33, Code of Federal Regulations, Section 151.25.

COUNT TWO

Paragraphs 1 through 8 are realleged and incorporated by reference as if fully set forth herein.

On or about November 20, 2006, within the internal waters of the United States and in the Middle District of Florida,

KASSIAN MARITIME NAVIGATION AGENCY, LTD.,

the defendant herein, acting through its agents and employees, who were acting within the scope of their agency and employment and for the benefit of defendant KASSIAN MARITIME NAVIGATION AGENCY, LTD., did knowingly and willfully make and use and cause the making and use of materially false writings and documents, in a manner within the jurisdiction of the U.S. Coast Guard and Department of Homeland Security, to wit: Oil Record Book entries for the *M/V North Princess* during the period of November 15, 2006, through November 19, 2006, contained false information about quantities of oil-contaminated waste remaining on board and omitted records of overboard discharges of oil-contaminated waste, when the defendant through its employees and agents well knew the true quantities of oil-contaminated waste remaining on board and that oil-contaminated waste had been discharged directly overboard through a bypass pipe.

All in violation of Title 18, United States Code, Section 1001(a)(3).

COUNT THREE

Paragraphs 1 through 8 are realleged and incorporated by reference as if fully set forth herein.

On or about November 20, 2006, within the internal waters of the United States and in the Middle District of Florida,


KASSIAN MARITIME NAVIGATION AGENCY, LTD.,
SPYRIDON MARKOU,


the defendants herein, KASSIAN MARITIME NAVIGATION AGENCY, LTD., acting through its agent and employee, who was acting within the scope of his agency and employment, and for the benefit of defendant KASSIAN MARITIME NAVIGATION AGENCY, LTD., did corruptly influence, obstruct and impede, and endeavor to influence, obstruct, and impede the due and proper administration of the law under a pending proceeding by the U.S. Coast Guard and the Department of Homeland Security, to wit: during a U.S. Coast Guard inspection of the *M/V North Princess* to determine the vessel's compliance with MARPOL and United States law, defendant SPYRIDON MARKOU engaged in the following conduct: (1) as U.S. Coast Guard officials collected a sample of material inside the bypass pipe that had been used to discharge oil-contaminated waste directly overboard, defendant SPYRIDON MARKOU falsely told a U.S. Coast Guard official that he did not know what was in the bypass pipe or what the bypass pipe was used for, denied that the bypass pipe could be used to transfer oil-contaminated waste overboard, and denied that he had been instructed to use the bypass pipe; (2) during an interview of the engineering crew in the Chief Engineer's office conducted by U.S. Coast Guard officials, defendant SPYRIDON MARKOU denied that he had seen the bypass pipe before; (3) during an interview

conducted by U.S. Coast Guard officials, defendant SPYRIDON MARKOU falsely stated that he did not know what the pipe was for; and (4) as a U.S. Coast Guard official was collecting evidence in the area of the Master's office, defendant SPYRIDON MARKOU falsely stated that he knew nothing about the bypass pipe, that he had never before seen the bypass pipe, and that he could not identify where the bypass pipe could have been installed on the *M/V North Princess*.

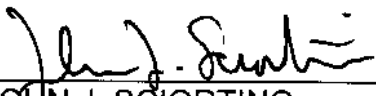
All in violation of Title 18, United States Code, Sections 1505 and 1515(b).

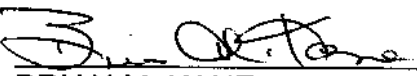
A TRUE BILL,


Foreperson

By: 
JOHN S. IRVING
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United States Department of Justice
Environment and Natural Resources Division

PAUL I. PEREZ
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By: 
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Assistant United States Attorney

By: 
BRIAN M. KANE
Assistant United States Attorney
Chief, Jacksonville Division

No.

UNITED STATES DISTRICT COURT

Middle District of Florida
Jacksonville Division

THE UNITED STATES OF AMERICA

VS.

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SPYRIDON MARKOU

INDICTMENT

Violations:

- Ct. 1: 33 U.S.C. §1908(a)
- Ct. 2: 18 U.S.C. §1001(a)(3)
- Ct. 3: 18 U.S.C. §§1505 and 1515(b)

A true bill,

EL Johnson

Foreperson

Filed in open court this 8th day

of March, A.D. 2007.

James H. Bell
Clerk

Bail \$