

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

United States of America

v.

Ionia Management, S.A.

Civil No. 3:07cr134 (JBA)

**FINDING OF VIOLATION OF PROBATION AND ORDER RELATED TO
FURTHER PROCEEDINGS**

On December 14, 2007, the Ionia Management, S.A., was found guilty by jury verdict on 18 counts in four indictments, which had been combined for trial purposes in the District of Connecticut. The defendant was found guilty of violation of Act to Prevent Pollution from Ships, 33 U.S.C. § 1908(a), as follows:

Count Two in the District of Connecticut; Counts One through Three in the Eastern District of New York; Counts Two through Six in the District of the Virgin Islands; and Counts One through Three in the Southern District of Florida.

The defendant was also found guilty of Falsifying Records in a Federal Investigation, in violation of 18 U.S.C. § 1519 as follows:

Count Three in the District of Connecticut; Count Four in the Eastern District of New York; and Count Four in the Southern District of Florida.

The defendant was further found guilty of obstruction of justice, 18 U.S.C. § 1505 (Count Four in the District of Connecticut) and Conspiracy, 18 U.S.C. § 371 (Count One in the District of Connecticut).

Ionia Management, S.A. was sentenced to 48 months probation. In addition to the mandatory and standard conditions of supervision, the Court imposed the following special conditions: (1) all vessels owned and/or managed by Ionia Management, S.A. entering U.S. ports are required to be equipped with digital recording equipment for the oily water separator (“White box”) and no such vessel under the authority of Ionia will be permitted without one; (2) a Special Master will be appointed by the Court to whom all records related to oil contaminated wastes from the Ionia vessels will be reported monthly, along with Ionia in-house analyses. The Special Master will hold compliance hearings every six months, taking sworn testimony from witnesses, to insure the accuracy and meaning of the records as demonstrating APPS/MARPOL compliant ship operations. The defendant will bear the cost of the Special Master’s regular hourly rate. The parties will submit a list of Special Master nominees with Cv’s by January 4, 2008. (3) All reports and records will be maintained by Ionia for the entire period of probation, including sludge reports which are reported to Ionia weekly. Additionally, the Court imposed a \$4,900,000 fine and \$7,200 Special Assessment, due immediately.

The defendant Ionia Management, S.A. was presented before this court on January 10, 2008 for a violation hearing to answer the charge that it violated the conditions of probation by entry in a U.S. port (Savannah) of its M/T Dromeas without the required recording equipment, and was represented at the hearing by Attorney George Chalos.

Based on the parties’ stipulated facts [Doc. #223] and testimony of defendant’s

personnel, the Court found Ionia Management, S.A. had violated its conditions of probation, but postponed imposition of additional sanctions, if any, to a date to be set following submission of the first Special Master report.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT the defendant continue its term of probation, with the same conditions of supervision remaining in full effect, including specification that no Ionia ships lacking either MARIN FLOC or ENVIRO LOGGER, or equivalent digital recording equipment will be permitted to enter U.S. ports, and U.S. Coast Guard is authorized to turn away Ionia vessels lacking such equipment.

A final order appointing the Special Master will issue following supplemental submissions by counsel and hearing which will address *inter alia* the Special Master's duties (including investigation, limits of authority, circumstances in which the Special Master may communicate *ex parte* with the Court or a party, nature of materials to be preserved as the record, time limits and standards for review of the Special Master's orders, finding and recommendations and basis, terms and procedure for fixing the Special Master's compensation and payment thereof by defendant).

IT IS SO ORDERED.

/s/

Janet Bond Arterton, U.S.D.J.

Dated at New Haven, Connecticut this 28th day of January, 2007.