

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
vs.)	CRIMINAL NO. 3:07-CR-134 (JBA)
)	
IONIA MANAGEMENT S.A.,)	
)	
Defendant.)	

SUPPLEMENT REGARDING THE M/T PLOUTOS
TO SPECIAL MASTER'S FOURTH REPORT

I. Background.

This report is submitted as a supplement to the Special Master's Fourth Report, dated 26 August, 2010, and addresses the request of Ionia Management, S.A. ("Ionia") that the Court permit the M/T PLOUTOS to call at U.S. ports under the terms of the Special Master Appointment and Scope of Work Order dated 18 April, 2008, in the above matter ("the Special Master Order").

The purpose of the Special Master Order was to ensure that Ionia ships calling at U.S. ports would comply with the International Convention for the Prevention of Pollution from Ships (MARPOL) and applicable U.S. law, *inter alia*, the Act to Prevent Pollution from Ships ("APPS"). The Special Master Order imposed a number of specific requirements on Ionia, including the requirement that Ionia install a special waste oil monitoring system ("SWOMS") on all Ionia vessels calling at U.S. ports. At the time of the Special Master Order, Ionia proposed only two ships, the M/T FIDIAS and the M/T THEO T, would call at U.S. ports and thus be covered under the terms of the Special Master Order. Prior to the Special Master hearing held on

15 July, 2010, Ionia requested that the M/T PLOUTOS and the M/T ESTIA be authorized to call at U.S. ports. As of the date of the Special Master's Fourth Report, the M/T PLOUTOS had installed SWOMS equipment onboard, but had not yet completed the communications required for transmission of the SWOMS data.¹ Accordingly, the undersigned concluded that when the SWOMS commissioning was complete and an initial audit had been performed by the Independent Environmental Consultant ("IEC"), full consideration of Ionia's request would be possible.²

Ionia has renewed its request by letter dated 1 October, 2010.³ The government responded to Ionia's request by letter dated 7 October, 2010.⁴ Since the fourth Special Master hearing, Ionia has commissioned the SWOMS onboard the M/T PLOUTOS and the initial audit of the M/T PLOUTOS by the IEC was conducted 7-11 September, 2010, underway Jabel Ali, UAE, to Sitra, Bahrain.⁵

II. Findings

1. The IEC's audit of the M/T PLOUTOS was generally positive. The IEC observed that the environmental procedures and requirements were well implemented onboard the M/T PLOUTOS. The officers and crew were cooperative and positive throughout the audit. Senior officers, including the Master, C/E and C/O were knowledgeable of the Scope of Work requirements and the Environmental Management Manual ("EMM") developed during its term of probation. The IEC further observed that

¹ Special Master's Fourth Report, Docket #338, at 11.

² Id. at 22.

³ Exhibit 1.

⁴ Exhibit 2.

⁵ The IEC's report of the audit is attached as Exhibit 3.

the senior officers appeared fully committed to the purpose and philosophy of the EMM which was clearly demonstrated to the IEC throughout the audit and during discussions with staff. The IEC concluded:

Overall condition of the vessel and waste management is very good. This vessel has recently come under the Scope of Work as management intends to use the vessel on US route [sic] in the future. Some of the issues mentioned above are having early challenges, which will be sorted out as soon as possible through the commitment of the management to the EMM and the US requirements as noted previously, despite the number of Observations and Recommendations outlined above. The Scope of Work and EMM requirements are well implemented on board. Having audited two vessels namely M/T Theo T and M/T Fidias previously, it is noteworthy to record that all the recommendations from previous audits have been implemented and the Environmental Management Manual and other relevant documentation have been revised to reflect the same. All the personnel on board cooperated fully during the audit and were sincerely interested and positive in complying with the environmental procedures. (Emphasis in the original.)⁶

2. Despite the overall favorable conclusions of the audit, the undersigned finds that among the recommendations made by the IEC in the audit, four areas require particular attention in order for the M/T PLOUTOS to call at U.S. ports:

a. The IEC noted that the OWS discharge sample line was not painted. The Scope of Work requires that the sample line be painted by a color to distinguish it from other piping in the area. On 8 October, 2010, Ionia submitted an electronic message to the IEC⁷ with photographs showing the OWS/OCM flushing line and the OWS/OCM sampling line colored as required.⁸

⁶ Exhibit 3 at 10.

⁷ Exhibit 4.

⁸ Exhibit 4.

b. The vessel's oil transfer procedures are not in line with the requirements of 33 C.F.R. § 155.720. By e-mail to the IEC on 8 October, 2010, Ionia stated the manual containing the company's Oil Transfer Procedures is being amended and revisions will be implemented onboard by the end of October, 2010.⁹

c. The EPA Vessel General Permit ("VGP") requirements are not fully implemented on the vessel. Ionia stated in an e-mail to the IEC on 8 October, 2010 that a superintendent is onboard the vessel to carry out training on the vessel's VGP plan and implementation of the plan has begun.¹⁰

d. The discrepancy between the manual sounding data and the SWOMS data for many of the tanks was substantial. While some of the discrepancies can be attributed to the small volume of the tanks, such wide discrepancies, particularly when the vessel is in port without movement, are unacceptable. The IEC has noted that on his arrival onboard a technician was onboard to calibrate the SWOMS, and Ionia has submitted a certificate dated 10 September, 2010 by Drew Marine Safety indicating the SWOMS was installed and commissioned onboard and found to be working satisfactorily. The IEC was unable to verify any action taken by the technician to correct the significant discrepancies between manual soundings and SWOMS data. Moreover, it appears that the technician left the vessel before the divergent soundings were made, so the reliability of the Drew Marine certificate is questionable.

⁹ Exhibit 4.

¹⁰ Exhibit 4.

III. Recommendations

I recommend that the M/T PLOUTOS be authorized to call at U.S. ports as a vessel covered by the Special Master's Order subject to the following conditions:

1. Ionia submit documentation satisfactory to the IEC that Oil Transfer Procedures consistent with the requirements of 33 C.F.R. § 155.720 have been implemented onboard the vessel.

2. With regard to the VGP requirements, Ionia submit to the IEC a copy of its onboard training report detailing the scope of the training, with a list of attendees attached.

3. Ionia provide documentation satisfactory to the IEC that the SWOMS onboard the vessel is operating such that discrepancies between manual soundings and SWOMS data are within the tolerances considered reasonable by the IEC, considering the manufacturer's specifications.

4. Ionia serve copies of all documents called for under conditions 1, 2 and 3 above on the government, the IEC, Independent Corporate Consultant James Sanborn, the United States Probation Office and the Special Master, and maintain copies of those documents onboard the vessel for inspection by United States port authorities.

Respectfully submitted this 11th day of October, 2010.

/s/ Robert C. Bundy
Robert C. Bundy, Special Master

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