



# United States Department of Justice

United States Attorney Joseph P. Russoniello  
Northern District of California

11th Floor, Federal Building  
450 Golden Gate Avenue, Box 36055  
San Francisco, California 94102  
(415) 436-7200  
FAX: (415) 436-7234

FOR IMMEDIATE RELEASE  
JUNE 5, 2009  
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CONTACT: Jack Gillund  
(415) 436-6599  
[Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov)

## **SHORE TERMINALS LLC PLEADS GUILTY TO MAKING FALSE STATEMENT CONCERNING CLEAN AIR ACT REQUIREMENTS**

SAN FRANCISCO – Shore Terminals LLC, a Delaware limited liability corporation, pleaded guilty today in front of the Honorable Susan Illston to one felony count of submitting a false annual report to the Bay Area Air Quality Management District and the U.S. Environmental Protection Agency regarding the facility's compliance with the Clean Air Act, United States Attorney Joseph P. Russoniello announced.

According to the plea agreement, Shore Terminals distributed ethanol and jet fuel products stored in its tank farm in Selby, Calif. As part of its operations, the company loaded fuel trucks with a device known as a truck loading rack. When Shore Terminals loaded trucks in this manner, significant amounts of volatile organic compounds would be emitted into the ambient air unless Shore Terminals captured those pollutants with a vapor recovery unit. Volatile organic compounds, when combined with sunlight, create ground-level ozone, which is a major component of what is commonly known as smog.

Beginning in December 2005 and continuing until December 2006, Shore Terminals experienced problems with its truck loading rack vapor recovery unit that caused the vapor recovery unit to malfunction and shut down. During that period, Shore Terminals employees repeatedly loaded ethanol using the truck loading rack while the truck loading rack's vapor recovery unit was not operating. To do so, Shore Terminals employees repeatedly used a bypass switch previously installed in the operations control room. The switch bypassed the automatic shutdown of the loading rack when the vapor recovery units were not operating. In so doing, Shore Terminals caused the release of volatile organic compounds that repeatedly vaporized and escaped into the air, in violation of the Clean Air Act. In March 2006, Shore Terminals falsely certified to the Bay Area Air Quality Management District and the United States Environmental Protection Agency that their facility was in compliance with the Clean Air Act and all permit requirements, when it was not.

Sentencing is scheduled for Aug. 14 before Judge Illston. The maximum fine for making a false statement is \$500,000 or twice the gross gain or loss resulting from the unlawful conduct, if any person derived pecuniary gain from the offense, or the offense resulted in a pecuniary loss to a person; a probation term of five years; and a maximum mandatory special assessment of \$400.

Stacey Geis and Jeffrey Rabkin are the Assistant U.S. Attorneys who are prosecuting the case with the assistance of Legal Technician Rayneisha Booth. The prosecution is the result of an investigation by the U.S. Environmental Protection Agency Criminal Investigation Division, and the Bay Area Air Quality Management District. It was referred for prosecution by the Air District's counsel.

### **Further Information:**

Case #: CR09-0395

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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