



The United States Attorney's Office

## District of Massachusetts

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### EXXON-MOBIL SENTENCED IN BOSTON HARBOR OIL SPILL

Corporation to Pay \$6 million for Criminal Violation of the Clean Water Act

BOSTON, MA - A wholly-owned subsidiary of Exxon Mobil Corporation was sentenced today with violating the criminal provisions of the Clean Water Act in connection with a spill of approximately 15,000 gallons of diesel oil into the Mystic River from Exxon Mobil's oil terminal in Everett, Massachusetts.

Acting United States Attorney Diane C. Freniere, John C. Cruden, Acting Assistant Attorney General of Environment and Natural Resources Division, Michael Hubbard, Special Agent in Charge of the Environmental Protection Agency's Criminal Investigation Division and Rear Admiral Dale Gabel, Commander First Coast Guard District, United States Coast Guard, announced today that ExxonMobil Pipeline Company was sentenced for its criminal violation of the Clean Water Act in connection with the January 2006 spill, and will pay a total monetary payment of over \$6.1 million and agree to have the Everett terminal monitored by a Court appointed observer.

Since 1929, Exxon Mobil Corporation and its corporate predecessors have owned a marine distribution terminal in Everett, Massachusetts (the "Everett Terminal"), where oil tankers deliver petroleum products that are distributed from the terminal throughout the region. The named defendant in the case, Exxon Mobil Pipeline Company, is a wholly-owned subsidiary of, and operates the facility on behalf of, Exxon Mobil Corporation.

The Everett Terminal included an inland "tank farm," which was comprised of a tank loading rack and twenty-nine large-scale oil storage tanks in which oil products were stored. Various above-ground pipes and valves connected those tanks to the Terminal's marine transfer area located at the confluence of the Mystic and Island End Rivers. The Island End River flows into the Mystic River, which flows into Boston Harbor.

As depicted in the attached diagram, the Terminal's marine transfer area was comprised of three berths (Berths 1, 3 and 4). Barges and ships offload petroleum products that were piped to and stored in the tanks within the tank farm. Those products were then piped to the Terminal truck loading rack, where they were loaded onto trucks for distribution. Berth 1 is an approximately 500 foot-long pier that extended southwesterly from the Everett shoreline and ran parallel to the Island End River. Berths 3 and 4 were situated side-by-side on an approximately 1000 foot dock that ran from the outermost end of Berth 1 northwesterly to the Everett shoreline, parallel with the Mystic River, with Berth 3 being closer to Berth 1.

The product receipt lines at Berth 1 ran parallel to the Berth 1 dock to approximately the

point where the Berth 1 dock met the Berth 3 dock, and from that point, those lines ran parallel to the Berth 3 dock where they ultimately were connected to the Berth 3 product receipt lines. The Berth 1 product receipt lines were isolated from the Berth 3 product receipt lines by seal valves, which were designed to prevent product being offloaded at Berth 3 from flowing into the Berth 1 product receipt lines.

The Everett Terminal was operated and maintained by a staff of approximately fourteen employees situated in an office building adjacent to the tank farm and just north of the marine transfer facility. The regular Terminal staff consisted of a terminal superintendent, terminal supervisor, nine terminal operators who covered the Terminal's twenty-four hour operations, electrician, mechanic, and accountant. At any given time, at least two terminal operators were on duty. Additional Terminal support was provided by a field operations specialist, an area administrator and an area engineer.

ExxonMobil was responsible for the proper operation and maintenance of the facility. These responsibilities entailed, among other duties, monitoring the Terminal, and when necessary, cleaning, repairing, and replacing, as appropriate, worn or damaged equipment, including pipes, valves, docks, and tanks. Likewise, ExxonMobil was responsible for monitoring the transfer of petroleum products at each point in the process: from delivery at the marine transfer area, through the receipt and storage of those products in the tank farm, and to the loading of the products onto trucks at the truck loading rack. It was therefore necessary that facility employees remain alert to pressure drops or spikes during transfer operations and to monitor the site visually for spills, hazards, or other irregularities.

At approximately 4:30 A.M. on January 9, 2006, the oil tanker M/V Nara docked at Berth 3 to unload petroleum products, including approximately 3.1 million gallons of low sulfur diesel (LSD) fuel, which is blue-green in color and is used as fuel in various types of engines. Later that morning, hoses running from the Nara's tanks were attached to a product intake manifold on Berth 3. By mid-afternoon, pumps aboard the Nara began to pump LSD fuel from the vessel through the manifold into a product receipt line that was connected to storage tanks on the tank farm. As it was being pumped from the Nara, the LSD flowed past a 10-inch seal valve located on Berth 3, which closed off a product receipt line from Berth 1. As a result of wear and tear, the valve did not close completely and leaked oil into the Berth 1 product receipt line.

ExxonMobil was aware of this defect in the valve. In September 2005, a contractor pressure-tested the valve and informed ExxonMobil that it leaked. Nevertheless, ExxonMobil had failed to replace the valve by the time the Nara arrived in January 2006. As a result, LSD pumped from the Nara leaked by the defective valve into the Berth 1 product receipt line. The line was approximately 610 feet long and 10 inches in diameter, and was filled with approximately 2,500 gallons of low sulfur kerosene. At the other end of the line was a pressure relief valve capped by a 3/4-inch coupling. The coupling had not been replaced in over thirty years, was unpainted and badly corroded.

As the Nara's delivery continued, the leakage by the seal valve on Berth 3 built pressure in the Berth 1 product receipt line until the coupling on Berth 1 burst. The rupture sent the kerosene in the pipe, along with LSD from the Nara, pouring through the destroyed coupling into a rectangular containment pan on Berth 1. The fuel filled the containment pan, and began to spill over its side and into the Mystic River below. The spill continued until approximately 5:00 A.M. on January 10, when pumping from the Nara ended.

A total of approximately 2,500 gallons of kerosene and 12,700 gallons of LSD poured into the Mystic River, causing a visible blue-green sheen on the Mystic River that eventually spread up the Island End River and down to Boston Harbor, and prompting several reports to the Coast Guard. ExxonMobil personnel did not discover the ruptured coupling and the full

containment pan on Berth 1 until approximately 11:00 A.M. on January 11, when the Coast Guard arrived at the facility to ask questions about the origin of the sheen.

ExxonMobil's negligent failure to provide adequate resources and oversight to the maintenance and operation of the Everett terminal was a direct cause of the spill. In particular, ExxonMobil negligently failed to replace the leaking seal valve on Berth 3, and to replace the unpainted and corroded coupling at Berth 1, which ruptured as a result of the leakage and pressure build-up in the product receipt line.

ExxonMobil also negligently allowed the spill to continue after it should have been discovered by failing adequately to monitor the transfer operations from the Nara. Although ExxonMobil's employees were required to perform regular walk-through inspections of the berths, they failed to do so while the containment pan was spilling LSD into the Mystic River. Because the segment of the walkway over the containment pan was partially submerged when the pan filled, a routine walk-through of the berth, had one been performed, inevitably would have resulted in the detection of the spill while it was still occurring.

As part of its plea agreement, ExxonMobil has agreed to pay the maximum possible fine of \$359,018.00 (twice the cost of the clean up of the spill) and the clean up costs of \$179,634.00. It will also make two community service payments. Specifically, it will pay \$1 million to the Massachusetts Environmental Trust to improve water quality in the Mystic River. MET was established in connection with the Boston Harbor clean up litigation in 1989, and the one million dollar payment in this case represents the largest settlement it has received since its founding. ExxonMobil also will pay \$4,640,982.00 to the North American Wetlands Conservation Act fund to be used to restore wetlands in Massachusetts. Fine monies from the prosecutions in the Buzzards Bay oil spill case and the recent Overseas Shipholding Group case, were directed into this fund where they were, and are continuing to be used, in wetlands restoration projects in Massachusetts. ExxonMobil further agreed that for the next three years, the Everett facility will be monitored by a court appointed official, and will be subject to a rigorous environmental compliance program.

The case was investigated by the Environmental Protection Agency and the United States Coast Guard. It was prosecuted by Assistant U.S. Attorney Jonathan F. Mitchell of the U.S. Attorney's Economic Crimes Division, Special Assistant Attorney Andrew Lauterback of the Environmental Protection Agency, Special Assistant United States Attorney Russell E. Bowman, LCDR, of the United States Coast Guard and Gary Donner, Trial Attorney, Environmental Crimes Section, U.S. Department of Justice.

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