

Summary: Company Pleads Guilty to Concealing Violation of the Clean Water Act

Report Date: April 10, 2017

OIG initiated an investigation after receiving allegations that Champion Technologies Inc. (Champion), and four other companies concealed oil sheens from a Gulf of Mexico offshore oil platform, and altered water samples prior to testing mandated by the Environmental Protection Agency (EPA). The purpose of the testing was to ensure that water discharged into the Gulf of Mexico during offshore operations met environmental standards.

We conducted a joint investigation with EPA's Criminal Investigation Division and found that between 2010 and 2012, employees of an offshore oil and gas facility operator purchased 4,025 gallons of a chemical product from Champion, and both companies knew the chemical would be used to conceal the unauthorized discharge of hydrocarbons into the Gulf of Mexico. Our investigation also confirmed that employees working for the offshore facility operator had actually used the dispersant to conceal oil sheens during their operations in violation of the Clean Water Act. We did not substantiate the allegation that one of the companies altered water samples.

The offshore facility operator dissolved its business operations through bankruptcy proceedings. Champion pled guilty to misprision of a felony and was subsequently sentenced to a \$1,000,000 fine, \$250,000 for community service, and a \$400 special assessment.

This is a summary of a report of investigation issued to the Bureau of Safety and Environmental Enforcement.

