

FOR IMMEDIATE RELEASE

CONTACT: Cindy Shin - PIO
(213) 978-3347 (office)
(213) 276-0003 (mobile)

**From the Office of the City Attorney
Carmen A. Trutanich**



Suite 800, City Hall East
Los Angeles, CA 90012

Phone: 213-978-8340 Fax: 213-978-2093
<http://www.atty.lacity.org>

****PRESS RELEASE****

WEDNESDAY, MAY 23, 2012

**CITY ATTORNEY'S OFFICE SECURES \$1.75 MILLION
SETTLEMENT WITH CRIMSON PIPELINE MANAGEMENT OVER
WILMINGTON OIL SPILL**

LOS ANGELES – A Los Angeles Superior Court Judge approved a \$1.75 million settlement reached by the Los Angeles City Attorney's Office and Crimson Pipeline Management, Inc. in a case involving a large oil spill in Wilmington. This settlement, in the form of a Stipulated Judgment, constitutes a civil resolution of the criminal case that was filed on December 21, 2011, by Deputy City Attorney Nicholas J. Karno and Deputy City Attorney Jessica Brown.

Pursuant to the civil settlement, Crimson Pipeline Management, Inc. and its affiliates ("Crimson") has agreed to pay a total of \$1.75 million in civil penalties and restitution costs to State and City agencies. Crimson is also required to implement an Environmental Compliance Program ("ECP"); allow for federal, state, and city regulatory agencies to conduct yearly inspections and oversee any significant repair or construction on all Crimson pipelines in Los Angeles County; establish procedures for immediate reporting of any spill, of any quantity, whether inland or into waters of the State; and establish internal policies of non-retaliation for Crimson employees in the event they report any actual or potential violations of any applicable law.

"Protecting the public's health and our environment, as well as ensuring the navigability and safety of our avenues of commerce, including the Alameda Corridor and Port of Los Angeles, are top priorities for the City Attorney's Office," said City Attorney Carmen A. Trutanich. "We are grateful to our partners at the California Department of Fish and Game and the City's Watershed Protection Division, Bureau of Sanitation, who are essential in our efforts to identify and successfully prosecute violators of our environmental laws."

On December 21, 2011, the City Attorney's Office Environmental Justice Unit filed a 61-count complaint against Crimson alleging that the company and its operators unlawfully caused, allowed, permitted, and contributed to the discharge

of large quantities of oil into the City's storm drain system, which led into the waters of the Dominguez Channel and the Port of Los Angeles. The complaint also alleged that Crimson failed to report the spill to the proper agencies in a timely manner.

Law enforcement became aware of a pipeline breach on December 21, 2010, when significant amounts of oil seeped into the Dominguez Channel during a large storm event. Investigators gathered samples of the discharged oil for evidence and were able to identify a hydrocarbon "fingerprint." The fingerprinting analysis revealed that the material that entered Dominguez Channel was consistent with the product shipped by Crimson Pipeline.

The California Department of Fish and Game ("F&G") and the Los Angeles Watershed Protection Division ("WPD") have been involved in the investigation and discovered a gash in the pipeline casing, which is the protective piping that surrounds the oil pipeline. The gash was wrapped, and the carrier pipe inside the casing was ultimately pulled out of the ground in October 2011. The United States Environmental Protection Agency installed a retention system designed to capture any oil that reaches the storm drain system during future rain events. Environmental agencies are still capturing oil in this retention system even today.

The monetary enforcement settlement with Crimson is the largest ever obtained, either in a civil or criminal case, by the Los Angeles City Attorney's Office involving an oil spill violation.

A copy of the complaint and stipulated judgment can be found on the City Attorney's Website:

http://www.atty.lacity.org/OUR_OFFICE/Opinions_and_Recent_Filings/index.htm

####