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Mississippi Phosphates Corp. Pleads Guilty to Clean Water Act Violation and Agrees to Transfer 320 Acres to Grand Bay National Estuary

Mississippi Phosphates Corp. (MPC), a Mississippi corporation which owned and operated a fertilizer manufacturing facility located on Bayou Casotte in Pascagoula, Mississippi, pleaded guilty today to a felony information charging the company with a criminal violation of the Clean Water Act, announced Principal Deputy Assistant Attorney General Sam Hirsch of the Justice Department's Environment and Natural Resources Division and U.S. Attorney Gregory K. Davis for the Southern District of Mississippi.

As part of the guilty plea, MPC admitted discharging more than 38 million gallons of acidic wastewater in August 2013. The discharge contained pollutants in amounts greatly exceeding MPC's permit limits, resulting in the death of more than 47,000 fish and the closing of Bayou Casotte. MPC also admitted that, in February 2014, MPC discharged oily wastewater from an open gate on a storm water culvert into Bayou Casotte, creating an oily sheen that extended approximately one mile down the bayou from MPC.

MPC entered its guilty plea before Chief Judge Louis Guirola Jr. of the U.S. District Court for the Southern District of Mississippi. Because MPC is in bankruptcy and is obligated to assist in funding the estimated \$120 million cleanup of its site, the court accepted the parties' agreement for MPC to transfer 320 acres of property near to its Pascagoula plant to become a part of the Grand Bay National Estuarine Research Reserve, which is managed by the Mississippi Department of Marine Resources as part of the National Oceanic and Atmospheric Administration's National Estuarine Research Reserve System.

"With this plea, Mississippi Phosphates has accepted responsibility for having discharged millions of gallons of industrial pollutants that killed tens of thousands of fish, damaged marine habitats and polluted recreational waterways," said Principal Deputy Assistant Attorney General Hirsch. "Mississippi Phosphates has acknowledged its misconduct and has been sentenced to transfer property it owns that is adjacent to the Grand Bay National Estuary, thus protecting and potentially rehabilitating a vital marine resource that this company's pollutant discharges had severely damaged."

As the felony information describes, when it was in full production, MPC manufactured diammonium phosphate fertilizers from phosphate rock which it received by ship and rail and from sulphur which was piped to its facility from a neighboring oil refinery. In its production of fertilizer, MPC generated a variety of pollutants and hazardous wastes. MPC has been regulated under a number of environmental statutes that govern the production, storage and release of a variety of air and water pollutants as well as hazardous wastes. In the manufacturing process, strong acids and ammonia were produced. If improperly discharged, acids and ammonia can be highly toxic to fish and to other forms of marine life. MPC was obligated to comply with permits issued by the Mississippi Department of Environmental Quality (MDEQ) under the authority of the Environmental Protection Agency (EPA) as prescribed by the Clean Water Act.

These permits regulated the storage and discharge of MPC's stormwater and wastewater, prescribing the circumstances under which they could be discharged into Bayou Casotte and limiting the concentration and quantity of the pollutants they could contain.

As detailed in the felony information, since January 2000, MPC has been cited by MDEQ in numerous notices for hundreds of violations of its Clean Water Act permit for discharging wastewater exceeding its pollutant limits. MPC was also cited for its failure to maintain adequate wastewater storage capacity, its discharge of untreated wastewater from its sulfuric acid plant directly through MPC's main outfall, its combined release of untreated and undertreated stormwater and process wastewater from other outfalls, and its failure to implement required remedial measures to prevent the pollutant discharges and environmental harm it has caused for decades. An April 2005 discharge resulted in the release of more than 17 million gallons of highly acidic wastewater into waterways adjacent to its facility, including Bayou Casotte, Tillman Creek and Bangs Lake of the Grand Bay National Estuarine Research Reserve. These waters are some of the most productive nurseries for aquatic species on the Gulf Coast. MPC's massive discharge of pollutants resulted in the death of thousands of fish and other forms of marine life as well as the destruction of marsh grass, trees and shrubs. In the years following this environmental catastrophe, in spite of MDEQ's orders and MPC's remedial proposals, MPC never implemented the measures necessary to prevent the release of pollutants from its facility and the discharge of an even larger torrent of wastewater destroying even more marine life.

U.S. Attorney Davis praised the efforts of EPA's Criminal Investigation Division, for its diligent work in the investigation of this matter. Senior Trial Attorney Jeremy F. Korzenik of the Department of Justice's Environmental Crimes Section and Assistant U.S. Attorney Gaines Cleveland are the prosecutors in charge of the case.

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Environment and Natural Resources Division

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