



Department of Justice

FOR IMMEDIATE RELEASE

OCT. 25, 2007

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BP TO PLEAD GUILTY TO FELONY VIOLATION *Assessed largest fine in history for Clean Air Act crime*

(HOUSTON, Texas) - BP Products North America (BP), a subsidiary of BP plc, has agreed to plead guilty to a one-count Information filed Oct. 22, 2007, charging it with a felony violation of the Clean Air Act, United States Attorney Don DeGabrielle announced today. BP will pay a criminal fine of \$50 million and serve a three-year period of probation. The plea resulted from the Department of Justice's prosecution of BP for the catastrophic explosion that occurred at the BP Texas City refinery, March 23, 2005, causing the deaths of 15 contract employees at the refinery and injuring more than 170 others. The criminal fine is the largest ever assessed for a violation of the Clean Air Act. Entry of the plea is scheduled for Nov. 27, 2007, before United States District Judge Gray Miller.

"Today's announcement is a significant step toward closure for this horrific accident and the collective criminal mismanagement which preceded it," DeGabrielle said. "BP Products North America has cooperated with federal authorities and with this plea agreement, announces its intention to confess culpability."

The catastrophic explosion at the refinery occurred when hydrocarbon vapor and liquid released from a blowdown stack and reached an ignition source, believed to be a pickup truck with its engine running. The 15 contract employees killed at the BP Texas City refinery were located in temporary trailers approximately 150 feet from the blowdown stack. The deceased were Glenn Bolton, Lorena Cruz-Alexander, Rafael Herrera, Daniel Hogan, Jimmy Hunnings, Morris King, Larry Linsenbardt, Arthur Ramos, Ryan Rodriguez, James Rowe, Linda Rowe, Kimberly Smith, Susan Taylor, Larry Thomas and Eugene White. The explosion also caused the injuries of more than 170 other workers at the Texas City refinery.

"This case demonstrates one of the pillars of environmental enforcement: protecting human lives and health," said Acting Assistant Attorney General Ronald J. Tenpas for the Environment and Natural Resources Division. "BP cut corners with disastrous consequences and is being held to account."

"BP's failure to comply with environmental laws led to the death of 15 people," said Granta Nakayama, EPA's [Environmental Protection Agency] Assistant Administrator for Enforcement and Compliance Assurance. "This portion of the Clean Air Act is essential to protect workers such as those in the petrochemical industry, and EPA will continue to vigilantly prosecute any violations of these laws."

BP agreed to plead guilty to a felony violation of Section 112(r)(7) of the Clean Air Act, which is the first criminal prosecution of that provision. Section 112r was passed in 1990, in response to the explosion occurring at the Union Carbide chemical plant in Bhopal, India, where thousands were killed or injured. Regulations under Section 112(r)(7) require facilities such as the BP Texas City refinery to ensure "release prevention, detection and correction requirements" are followed to prevent catastrophic explosions such as what occurred March 23, 2005.

On March 23, 2005, BP's Texas City Refinery was the largest refinery owned by BP in the United States. The Texas City refinery was previously owned by Amoco, but in December 1998, BP merged with Amoco and acquired the BP Texas City Refinery. The BP Texas City Refinery covered more than 1200 acres and employed approximately 1800 permanent BP staff and approximately 2000 contract

employees.

The explosion occurred at a refining unit known the Isomerization Unit (ISOM unit). The ISOM unit's main function was to increase the octane level in unleaded gasoline and a tower in the ISOM unit known as the Raffinate Splitter was used for this process. The Raffinate Splitter was approximately 164 feet in height and could hold approximately 3700 barrels of product. On the morning of March 23, the Raffinate Splitter was undergoing a startup-recognized as one of the most dangerous operations for the tower due to the high pressure and temperatures necessary to re-start the process.

BP admitted that by the morning of March 23, 2005, several procedures required under Section 112(r) (7) of the Clean Air Act for ensuring the mechanical integrity and a safe startup of the Raffinate Splitter had either not been established or were being ignored. Operators, with the knowledge of supervisors, regularly failed to follow written standard operating procedures that required sending excess hydrocarbons to a flare where they could be safely burned off before being released into the open air.

BP admitted it had failed to perform a relief valve study to determine whether the blowdown stack had the capacity to safely release excess hydrocarbons. In fact, the blowdown stack itself had been in poor operating condition since at least April 2003. Alarms in both the Raffinate Splitter and the blowdown stack failed to function or were ignored.

BP also admitted that it had become a regular practice at BP to locate temporary trailers occupied by contract employees near the blowdown stacks, even though BP knew there had been previous releases of liquid hydrocarbons from the blowdown stacks. Ultimately, BP failed to inform contractors that the start-up process was about to commence.

Pursuant to a plea agreement, BP will pay \$50 million and serve a three-year probation period. During its term of probation, BP will be required to complete a facility-wide relief valve study under a settlement agreement with the Occupational Safety and Health Administration and to complete an agreement with the Texas Commission on Environmental Quality. Under that agreement, BP will be required to implement facility-wide renovations of its flare systems to prevent excess unplanned emissions as required by the Clean Air Act. These conditions of probation are expected to cost BP \$265 million. Furthermore, if BP fails to complete the requirements, its probation could be revoked or extended.

"The FBI takes great pride in having had the opportunity to work closely with the United States Attorney's Office and the Environmental Protection Agency on this successful investigation which culminated in a precedent setting plea agreement," said Andrew R. Bland, Special Agent in Charge of the Houston office of the FBI. "Dangers to the community arise from various and diverse sources, and the FBI is committed to aggressively investigating these matters. Whether it be an environmental violation, a terrorism violation or an internet safety violation, the end result is a safer community."

The case was prosecuted by Assistant United States Attorney Mark McIntyre, United States Attorney's Office for the Southern District of Texas, and Trial Attorney Daniel W. Dooher, Environmental Crimes Section of the Department of Justice, and was investigated by the EPA's Criminal Investigation Division and FBI.

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