United States Department of Justice

THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT of NEW YORK

Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Wednesday, May 1, 2019

Manhattan U.S. Attorney Announces Lawsuit Against Chestnut Petroleum Distributor, Inc., For Violations Of The Resource Conservation And Recovery Act

Suit Alleges Defendants Repeatedly Violated Environmental Regulations

Geoffrey S. Berman, the United States Attorney for the Southern District of New York ("SDNY"), and Peter D. Lopez, Regional Administrator of the U.S. Environmental Protection Agency ("EPA"), announced today that the United States has filed a civil lawsuit against Chestnut Petroleum Distributor, Inc., and its affiliates CPD Energy Corp., CPD NY Energy Corp., Chestnut Mart of Gardiner, Inc., Chestnut Marts, Inc., Greenburgh Food Mart, Inc., Middletown Food Mart, Inc., and NJ Energy Corp. (collectively, "Defendants"), for violating the Resource Conservation and Recovery Act ("RCRA") at 20 separate gas stations within the Southern District of New York and adjoining districts.

U.S. Attorney Geoffrey S. Berman stated: "As alleged in the complaint, Defendants repeatedly failed to comply with regulations designed to prevent gasoline leaks from threatening public health and the environment. Today's lawsuit seeks to hold Defendants accountable for their conduct and ensure that the public is protected in the future."

EPA Regional Administrator Peter D. Lopez said: "Failure to monitor and maintain tanks to prevent leaks can pose a serious safety risk, as the leaking underground tanks can release toxic components that can seep into the soil and the groundwater. This lawsuit seeks to hold the companies responsible for properly managing their tanks to reduce these risks where these gas stations are located."

Petroleum products such as gasoline contain chemical compounds that pose substantial threats to human health. Service stations typically store gasoline in underground storage tanks. When operated conscientiously and monitored closely, underground storage tanks are a safe and effective means to store gasoline. But when those tanks are not subjected to basic operational safeguards, they can endanger the public and the environment, for example by leaking petroleum

into the water supply, discharging toxic vapors into the air, or even triggering fires or explosions. EPA's regulations under RCRA are designed to protect the public by requiring underground storage tank operators to reduce the likelihood of leaks, monitor for leaks so they can promptly be addressed, and maintain adequate insurance to conduct corrective action and compensate injured third parties when a leak occurs.

As alleged in the complaint filed in federal district court today, Defendants repeatedly violated RCRA and its related regulations at various times from 2011 to 2014. These violations included failing to perform release (*i.e.*, leak or spill) detection, and failing to maintain and provide records of release detection monitoring. In some instances, Defendants failed to secure underground storage tanks that were temporarily closed, and failed to investigate or report suspected releases or unusual operating conditions. Defendants also failed at times to maintain insurance policies sufficient to take corrective action and compensate third parties for bodily injury and property damage caused by accidental releases arising from the operation of the underground storage tanks.

The lawsuit seeks injunctive relief and an order imposing civil penalties for Defendants' violations.

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This case is being handled by the Office's Environmental Protection Unit. Assistant United States Attorneys Christopher Connolly and Jennifer C. Simon are in charge of the case.

Attachment(s):
Download Chestnut Petroleum 5.1.2019 complaint ecf.pdf

Topic(s):
Environment

Component(s):
USAO - New York, Southern

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