Shell Must Pay for Environmental Violations at California Stations

$19.5 million judgment requires steps to improve monitoring, training, response, more

OAKLAND, Calif. -- After finding "hundreds of environmental violations" at Shell gas stations statewide, California attorney general Edmund G. Brown Jr. said that his office has secured a $19.5 million judgment against the oil company and its affiliates, which will ensure compliance with the state's hazardous waste and underground fuel storage laws.

"Shell Oil Co. disregarded the state's underground fuel storage and hazardous waste laws, committing hundreds of environmental violations at its gasoline stations across California," Brown said. "This judgment requires the company to pay $19.5 million in penalties, comply with state law and improve its spill monitoring, employee training and hazardous waste management."

In 2006, the AG's Office launched a statewide investigation into Shell and its stations after the San Diego and Riverside County district attorneys settled cases with the company following numerous underground storage tank (UST) violations.

The investigation uncovered hundreds of violations at the company's stations:

- In February 2007, an inspector discovered that a Shell station located in Martinez failed to properly maintain the required leak detection monitoring system for its gasoline tanks. The station is located next door to the office of the Contra Costa County Hazardous Materials Program.
- In May 2006, an inspector discovered that a Shell station in Citrus Heights, 20 miles northeast of Sacramento, failed to properly maintain spill alarms for its gasoline tanks. Inspectors observed similar violations in October 2005, September 2003 and April 2003.
- In August 2005, an inspector discovered that a Shell station in San Luis Obispo failed to maintain the required leak detection monitoring system for its gasoline tanks.
- In March 2005, an inspector discovered that a Shell station in Agoura Hills failed to properly conduct and maintain secondary containment testing and monitoring for its gasoline tanks. The inspector also found liquid and hazardous substances in the containment sump. Shell's own inspector found liquid in the sump on previous visits to the station.

In 2006, the AG's Office launched a statewide investigation into Shell and its stations after the San Diego and Riverside County district attorneys settled cases with the company following numerous underground storage tank (UST) violations.

Working with the California State Water Resources Control Board, the AG's Office investigated more than 1,000 Shell stations throughout the state.
The judgment requires Shell, its subsidiaries, corporate parents, affiliates and successors to pay $19.5 million in civil and administrative penalties and immediately comply with state underground fuel storage and hazardous waste statutes, regulations and permits.

The company must also take immediate steps to improve spill and alarm monitoring, employee training, hazardous waste management and emergency response at its stations by:

- Implementing a "smart" monitoring system with programmable sensors to monitor for fuel leaks and other environmental alarms.
- Using a continuous remote alarm monitoring, diagnosis and notification system.
- Providing annual compliance and emergency response training sessions to employees, contractors, consultants, retailers and operators.
- Implementing risk management software systems to drive improved UST compliance.
- Working with a third-party contractor to manage and oversee hazardous material business plans and UST monitoring response plans.
- Working with a third-party contractor to provide onsite UST permitting, registration and testing services.
- Completing a health, safety, security and environmental checklist to monitor, assess and address compliance issues.
- Maintaining a UST equipment database and checklist.

In April, Brown filed suit against TravelCenters of America, Westlake, Ohio, to force the corporation to comply with California's underground fuel storage laws.

The $19.5 million judgment against Shell includes $7.8 million in civil and administrative penalties to district attorneys and regulatory agencies; $5 million in civil penalties to the AG's Office; $5 million in civil and administrative penalties to the California State Water Resources Control Board; $700,000 to fund the Sacramento County Abandoned Well Restoration Project; $500,000 to the California Climate Action Registry; $400,000 in investigative costs and attorneys' fees to the AG's Office; and $100,000 in investigative costs to the California State Water Resources Control Board.

Click here to read the complaint.
Click here to read the judgment.
And click here to read the order.

Included in the stipulated judgment is a full list of the Shell stations subject to the terms of the settlement.