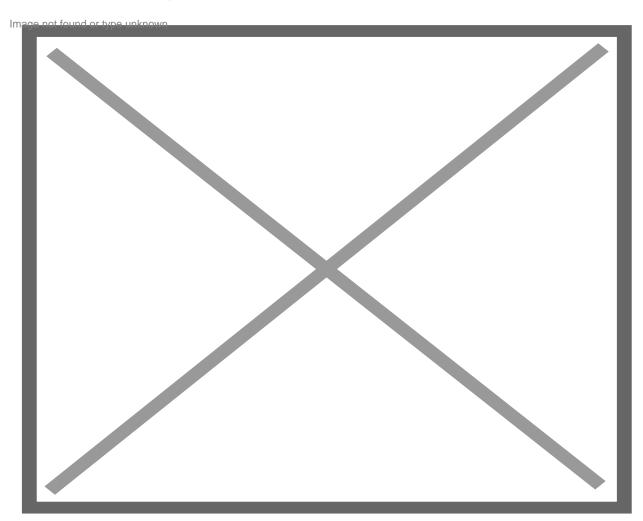
Limetree Bay Investors Were Spooked by Threat of Criminal Investigation Into Refinery by U.S. Attorney's Office

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Ernice Gilbert June 30, 2021



Running out of cash, Limetree Bay was holding meetings with investors during the run-up to its indefinite suspension of refining announcement, but CEO Jeffry Rinker and other stakeholders could not convince the investors to pour more money into refining operations. The reasons for investor hesitation were myriad: an Environmental Protection Agency 60-day shutdown — a near unprecedented action; a surfeit of lawsuits; pushback from environmental groups and even hostility from local lawmakers.

Another major factor: a threat of a criminal investigation into refinery operations from the U.S. Attorney's Office through a letter addressed to Mr. Rinker, according to a person with knowledge of the matter. According to this person, the threat further spooked potential investors, with Mr.

Rinker stating that the threat was significant enough that he had to reveal it to the lenders, according to this person. It is still believed that the most significant reason for investors' refusal to pour more money into Limetree Bay was the current shutdown status.

What, exactly, the criminal investigation is about remains unclear. Request for comment from Limetree Bay was not immediately returned. In response to a Consortium query, U.S. Attorney Gretchen Shappert said, "I cannot comment."

Governor Albert Bryan has said during multiple press briefings that following a flare incident on May 12, he told Limetree officials to immediately halt operations or face his wrath. "When the last incident occurred with the fire, I called the refinery and told them to shut it down otherwise they're going to have hell to pay with me. They did," Mr. Bryan said during a press event last week, reiterating what he'd said during a previous press briefing (watch the clip here).

Many have questioned whether the EPA would have taken the action it did if Mr. Bryan had not ordered Limetree to halt refining. For its part, the EPA said it took the <u>unprecedented action</u> due to multiple improperly conducted operations at Limetree that presented an imminent risk to public health. The EPA ordered the extended shutdown under the Clean Air Act Section 303, which gives the federal agency the authority to take such drastic measures when an entity is "substantially endangering public health, welfare, or the environment."

Mr. Bryan has been working behind the scenes in an effort to get the EPA to lift the refining halt once Limetree Bay has met the requirements. And he has publicly spoken about the importance of Limetree Bay to the U.S. Virgin Islands economy, and more pointedly St. Croix, where hundreds of middle-income paying jobs are being lost.

In its statement announcing the indefinite shutdown, Mr. Rinker spoke to the lack of funding to continue operations as the main culprit. "This was an extremely difficult decision for us, and we are truly saddened to announce suspension of our restart plans for the refinery," he said. "Our personnel have demonstrated tremendous commitment and dedication in restarting the refinery, and we continue to be proud of their hard work. Unfortunately, this is our only option, given the extreme financial constraints facing the company."

Limetree Bay said it will begin preparing the refinery for an extended shutdown, which includes safely purging gases from all of the units and removing any residual oil and products in the lines.

Limetree Bay's oil storage terminal will not be affected by the decision to suspend the restart of the refinery and will continue in operation.

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