

# Whistleblowers say 'bad seeds' undermine pipeline safety



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Shell's Falcon Pipeline during construction in 2019. The line carries ethane to Shell's major new petrochemical "cracker" plant that is still under construction.

**Energywire** | Two former pipeline inspectors say they were fired for reporting hazards on a volatile liquids pipeline to Royal Dutch Shell PLC's massive new petrochemical plant northwest of Pittsburgh.

The inspectors, Frank Chamberlin and Susan D'Layne Carite, said they warned Shell managers and even federal regulators in 2019 that the anti-corrosion coating was

defective on the company's Falcon pipeline. That could increase the threat of corrosion, a leading cause of pipeline ruptures.

A representative of the coating manufacturer told Chamberlin the protective layer was "unacceptable," and another person on the project told him it peeled from the pipe during installation.

Rather than fixing the problem, he says, Shell ordered them off the project and the contractor fired the two inspectors, who live together in a rural part of upstate New York. The couple's allegations are contained in their whistleblower complaint they filed with the Labor Department.

"We did our jobs, and we were harassed, abused, ridiculed, and humiliated then released because we would not follow the bad seeds that are giving the industry a very bad reputation," Chamberlin wrote in his complaint, obtained by E&E News under the Freedom of Information Act. They said they'd been repeatedly warned they'd be "run off" if they kept pressing safety concerns.

The allegations highlight that the inspectors in charge of assuring safety and environmental protection on large pipeline projects are usually paid by the pipeline builders themselves. Critics say that creates a conflict of interest, but pipeline industry officials compare the practice to quality control in other areas of manufacturing.

"The system isn't set up to ensure experienced and accountable inspections," said Shannon Smith of the FracTracker Alliance, a Pennsylvania-based energy watchdog group that has monitored Shell's project.

Federal pipeline safety regulators from the Pipeline and Hazardous Materials Safety Administration investigated the former inspectors' allegations, and agency officials say no safety problems were found. They said the coating that peeled was a protective overcoat. But there's no record that they followed up with the manufacturer.

Shell and the Global Edge Consultants, the couple's employer on the project, cast the pair as difficult employees. In their responses to the whistleblower [complaint](#), they said the corrosion concerns were properly investigated and no safety issues were found. They said the couple was removed from the project for insubordination and poor performance, not for flagging safety problems.

Shell spokesman Curtis Smith said the company has an "unwavering" commitment to safe construction and operation of the Falcon pipeline.

"The robust design and installation of Falcon has been supported by numerous inspections and the pipeline meets or exceeds all safety standards and regulatory requirements," Smith said.

Global Edge CEO Kathy Eberwein declined to comment in a brief phone conversation.

The [97-mile pipeline](#) will carry ethane, a highly volatile liquid, from Marcellus Shale wells in Ohio, Pennsylvania and West Virginia to the Shell plant. The pipe sits empty now, waiting for the plant to be finished. The facility, commonly called the Beaver County cracker plant, is expected to be fully operational in 2022.

The plant site on the Ohio River has one of the largest active construction sites in the country. Shell announced the project in 2012, making Pennsylvania the winner in a tax break competition with Ohio and West Virginia.

Former President Trump visited the plant about three months after Carite and Chamberlin quit the pipeline project in 2019. In a speech to workers, Trump touted the development as the result of his efforts to boost "fracking" and shale gas production.

Pipeline safety has been a concern in the mountainous region around the plant since it was rattled by at least six explosions in 2018 and early 2019 caused by landslides and similar hazards ([Energywire](#), June 4, 2019). Falcon runs through similar terrain, and state officials notified PHMSA about a "slip," or small landslide, that occurred on the project in April 2019.

Chamberlin filed his whistleblower allegations in August 2019 with the Labor Department's Occupational Safety and Health Administration (OSHA), which investigates such complaints. Carite was added to the case last summer. The complaint was dismissed earlier this year by agency officials, who said they found no reasonable cause to believe that the relevant law was violated.

The couple is appealing OSHA's dismissal. Through their attorney, Michael Filoromo of Philadelphia, they declined to comment.

Pennsylvania environmental officials took the former inspectors' allegations seriously. The state Department of Environmental Protection hit Shell for violations of spill reporting rules after their complaints. And DEP Secretary Patrick McDonnell wrote to PHMSA last year to urge a full investigation into the safety allegations, saying the agency's 2019 inquiry was "incomplete."

"Our staff was alarmed by the whistleblower's allegations and concerned for the safety of people living along the pathway of the Falcon Pipeline," McDonnell [wrote](#).

The existence of a whistleblower alleging safety violations and retaliatory firing was revealed in March by the FracTracker Alliance. Chamberlin and Carite's identities, their roles on the project as inspectors, their specific allegations about coatings, and the companies' responses have not been previously reported.

## A 'close-knit club'



Construction on Shell Chemicals Beaver County ethane cracker plant in Potter Township, Pa. | Gene J Puskar/AP/Shutterstock

Shell's cracker plant, formally named the Pennsylvania Petrochemicals Complex, will break down -- or "crack" -- ethane molecules to produce pellets that can be used to make plastic. Shell has said construction will create 6,000 temporary jobs and the plant will support 600 permanent jobs when it opens.

Falcon, operating under a reported 1,440 pounds of pressure, will carry the volatile liquid to the plant from three major ethane source points in Ohio and Pennsylvania.

Chamberlin and Carite started on the project in January 2019, having bought an \$80,000 recreational vehicle in anticipation of a year and a half of work on the pipeline.

Their LinkedIn pages indicate Chamberlin has worked as a coating inspector, a welding inspector and other roles on pipelines since at least 2009. Carite's page shows she has worked as a pipeline inspector since at least 2014, and on another site she says she's been in the industry "on and off" for about 20 years. Their other social media postings indicate strong support of the oil and gas industry and Trump.

The pair found themselves working in a "close-knit club" consisting largely of a circle of friends and family members, according to accounts their attorneys provided to OSHA. They were also told not to put anything negative in their reports.

"We were told 'Just collect your paycheck -- look straight ahead if you bring this up they will run you off,'" Chamberlin wrote in his initial complaint.

The names and titles of those people, and nearly any other proper name or pronoun, were redacted from the report provided to E&E News under FOIA. Chamberlain and Carite's names became public when they appealed the dismissal.

By March 2019, Chamberlin was running into trouble. He was transferred to a different part of the project after an argument at a job site.

The argument, according to his complaint, started when other inspectors at the site wanted to lie about the volume of a drilling fluid spill, and someone in the group told him to "shut up," enhanced with a vulgarity. He said the spill was reported as only "a few hundred gallons" when it was "clearly well over 1,500 gallons." Shell said Chamberlin was "counseled" about inappropriate behavior and transferred after an "altercation" in which he displayed a "disrespectful and aggravated demeanor."

In another case, he said a 2,000-gallon spill was reported as 75 gallons after someone "sent word" in a text [message](#) "to keep it under 100 gal."

## Crucial coating

The most serious safety charges are about the coatings on the pipelines, which are intended to prevent corrosion across decades as the pipes carry hazardous cargo. PHMSA [says](#) about 18% of pipeline accidents are caused by corrosion.

During the time Chamberlin and Carite were on the job, PHMSA visited Shell Pipeline Co. LP's headquarters in Houston for a review of construction procedures on Falcon. The agency found that Shell had inadequate procedures for the company's inspectors to detect coating damage and other problems.

Shell was unable to provide its standards for visual inspection of pipelines and guidelines on what to do if a coating gets damaged when it's installed, [enforcement records](#) show. The agency closed the case after Shell provided updated procedures in July 2020.

In mid-April, Chamberlin said he complained about problems with the anti-corrosion coating and was told it was "not my business." Shell countered that his complaint went up the line to the lead coating inspector, who checked and found no problems.

But Chamberlin also contacted the manufacturer of the coating, where a representative asked him to send photographs so the company's technical team could examine them.

In early May, Chamberlin complained again to Shell about problems with the coating on the pipe. The next night, another person on the project, whose name was redacted, came to his RV and said that regulators and coating experts had looked and found no problem. The person then asked what it would take to satisfy him, and he responded "when the manufacturer states the coatings are acceptable."

Chamberlin and Carite were fired the next day, May 9, 2019, in a meeting with both Shell and Global Edge, according to the whistleblower documents. In a letter to OSHA, Shell said they were removed from the project due to "a pattern of poor performance and insubordinate behavior."

The couple said no reason was given, according to their attorney's filings, and they were simply told their "services were no longer needed."

In the days after that, Chamberlin said someone from the project whose name was redacted contacted him to say the coating peeled near a weld when it was installed by pulling it through a borehole.

And less than a week later, the manufacturer's representative got back in touch about the [photographs](#) he'd sent, [texting](#), "It is unacceptable." The problem, according to the representative, was that the pipes were not welded together properly, which could affect the coating on the pipes.

## Federal, state investigations

In July 2019, a few weeks after Chamberlin and Carite were fired, PHMSA got a complaint about faulty anti-corrosion coating, spills and falsified records on Falcon construction, and began investigating, according to a [recent letter](#) the agency sent to FracTracker. In early August, a PHMSA official contacted the Pennsylvania DEP with information from a "confidential informant," according to an email log provided to FracTracker in an open-records request.

The PHMSA inspector looked into photos of two pipelines with scratches, according to the letter. On one, the inspector found that the scratches in the coating weren't a safety problem. On the other, the inspector found damage to an overcoat designed to protect the anti-corrosion coating during installation. The inspector determined the anti-corrosion coating itself wasn't damaged.

PHMSA inspected again in August 2020 and reviewed results of a November "in-line inspection," according to the PHMSA letter, which came from the agency's acting administrator, Tristan Brown.

"PHMSA has not identified any indications of coating issues on the Falcon pipeline requiring repair," Brown wrote.

The couple's attorney wrote that one of the two talked to the PHMSA inspector and got the impression that the staffer either lacked expertise or "had no interest in providing an impartial evaluation that might be critical of Shell."

In November, DEP briefly shut down construction on the project because spills weren't being reported properly, and cited Shell for a violation.

## Pipeline 'safety net'

It is common industry practice for day-to-day inspections of pipeline construction to be done by contractors such as Global Edge who are chosen and paid by the owner of the pipeline. Pipelines such as Falcon are required to be built to PHMSA's minimum safety standards. But PHMSA doesn't have to inspect every pipeline project, and agency approval is not required before operations start.

Critics say the practice gives pipeline builders incentives to hire inspectors who will look the other way and puts pressure on inspectors to ignore expensive problems. FracTracker's Smith said companies should provide money for regulatory agencies to deploy independent inspectors.

Landowners in Oklahoma have criticized the inspectors who approved work on Cheniere Energy Inc.'s Midship pipeline, who are paid by Cheniere ([Energywire](#), June 9). And on another Ohio-Pennsylvania ethane pipeline, Mariner East 2, a geologist said he was ordered to ignore potentially dangerous problems and was booted from the project when he didn't ([Energywire](#), Oct. 16, 2020).

Industry officials say the operator companies have strong incentives to ensure their construction contractors deliver a safe, properly built pipeline.

"These inspectors protect the companies' interests by ensuring the integrity of the processes followed and the project as presented to regulators for final approval," said Smith, the Shell spokesman.

John Stody of the Association of Oil Pipe Lines compares it to factories that have employees inspect their products before going out the door.

"Whether it's a car coming off the assembly line or a rocket going to space, companies have quality control personnel whose job is to make sure the product is properly assembled," he said. "Pipelines have more of a safety net than many products we buy."

Shell took extra safety precautions on Falcon, Smith said, such as using thicker-than-required pipe, burying it a foot deeper than required and placing emergency shutoff valves closer than required.

He added that all of the coating inspectors were certified by the National Association of Corrosion Engineers, or NACE. On their LinkedIn pages, Chamberlin and Carite indicate they're both NACE-certified.

Construction is complete on the pipeline but not on the chemical plant the line will serve. So it's empty for now. Smith said it will be technically "in service" sometime in the next two months. At that point, it could ship ethane, but that won't happen until a few months before the plant starts operations.