



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
290 BROADWAY
NEW YORK, NEW YORK 10007-1866

U.S. ENVIRONMENTAL
PROTECTION AGENCY-REG. II
2007 APR -4 PM 3:29
REGIONAL HEARING
CLERK

MAR 30 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Stephan Kutzer
President
Lonza, Inc.
90 Buroline Road
Allendale, NJ 07401

Re: In the Matter of Lonza Inc.
Docket No. FIFRA-02-2007-5116

Dear Mr. Kutzer:

Enclosed is the Complaint and Notice of Opportunity For Hearing, and supporting documents in the above-referenced proceeding. This Complaint alleges violations of Section 12(a)(1)(C) of the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA" or "the Act"), 7 U.S.C. § 136j (a)(1)(C).

You have the right to a hearing to contest any of the allegations in the complaint. If you admit any of the allegations, or any are found to be true after you have had an opportunity for a hearing on any of them, you have the right to contest the penalty proposed in the Complaint.

If you wish to contest the allegations or the penalty proposed in the Complaint, you must file an Answer within **thirty (30)** days of your receipt of the enclosed Complaint to the Environmental Protection Agency's ("EPA") Regional Hearing Clerk at the following address:

Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 2
290 Broadway, 16th Floor
New York, New York 10007-1866

If you do not file an Answer within thirty (30) days of receipt of this Complaint and have not obtained a formal extension for filing an Answer from the Regional Judicial Officer, a default order may be entered against you and the entire proposed penalty may be assessed without further proceedings.

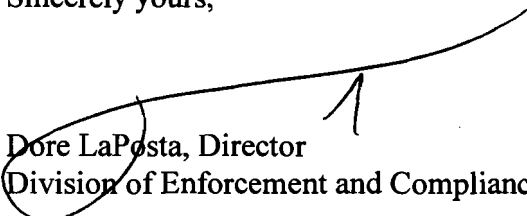
Whether or not you request a formal hearing, you may request an informal conference with EPA to discuss any issue relating to the alleged violations and the amount of the proposed penalty. EPA encourages all parties against whom it files a Complaint to pursue the possibility of settlement and to have an informal conference with EPA. However, a request for an informal conference **does not** substitute for a written Answer, affect what you may choose to say in an Answer, or extend the thirty (30) days by which you must file an Answer requesting a hearing.

Enclosed are copies of the "Consolidated Rules of Practice," which govern this proceeding. For your general information and use, I also enclose both an "Information Sheet for U.S. EPA Small Business Resources" and a "Notice of SEC Registrants' Duty to Disclose Environmental Legal Proceedings," which may or may not apply to you.

EPA encourages the use of Supplemental Environmental Projects, where appropriate, as part of any settlement. I am enclosing a brochure on "EPA's Supplemental Environmental Projects Policy." Please note that these are only available as part of a negotiated settlement and are not available if this case has to be resolved by a formal adjudication.

If you have any questions or wish to schedule an informal settlement conference, please contact the attorney whose name is listed in the Complaint.

Sincerely yours,



Dore LaPosta, Director
Division of Enforcement and Compliance Assistance

Enclosures

cc: Karen Maples, Regional Hearing Clerk (w/o enclosures)

Mr. Raymond Ferrarin, Director
Pesticides Control Program
New Jersey Department of Environmental Protection

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2**

U.S. ENVIRONMENTAL
PROTECTION AGENCY-REG. II
2007 APR -4 PM 3:29
REGIONAL HEARING
CLERK

-----X	:	
In the Matter of	:	
	:	
Lonza Inc.,	:	
	:	<u>COMPLAINT AND NOTICE OF</u>
	:	<u>OPPORTUNITY FOR HEARING</u>
Respondent.	:	Docket No. FIFRA-02-2007-5116
	:	
Proceeding Under the Federal	:	
Insecticide, Fungicide and	:	
Rodenticide Act, as amended.	:	
-----X	:	

Complainant, as and for her Complaint against Respondent, hereby alleges:

1. This is a civil administrative proceeding instituted pursuant to Section 14(a)(1) of the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA" or "the Act"), 7 U.S.C. § 1361(a)(1).
2. The Complainant, Dore LaPosta, Director of the Division of Enforcement and Compliance Assistance, Region 2, United States Environmental Protection Agency ("EPA"), has been duly delegated the authority to institute this action.
3. Respondent is Lonza Inc., a Delaware corporation.
4. Respondent is a "person" as defined by FIFRA Section 2(s), 7 U.S.C. § 136(s), and as such, is subject to FIFRA and the regulations promulgated thereunder.
5. Respondent maintains an "establishment," as defined in Section 2(dd) of FIFRA, 7 U.S.C. § 136(dd), located at 17-17 Route 208, Fair Lawn, New Jersey 07410.
6. Section 2(t) of FIFRA, 7 U.S.C. § 136(t), defines a "pest" as any insect, rodent, nematode, fungus, weed, or any form of terrestrial or aquatic plant or animal life or virus, bacteria, or other micro-organism.
7. Section 2(u) of FIFRA, 7 U.S.C. § 136(u), defines the term "pesticide" as any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest.
8. Respondent is a "distributor or seller" within the meaning of Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg).

9. "To distribute or sell" is defined by Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg), as "to distribute, sell, offer for sale, hold for distribution, hold for sale, hold for shipment, ship, deliver for shipment, release for shipment, or receive and (having so received) deliver or offer to deliver."
10. Section 2(q) of FIFRA, 7 U.S.C. § 136(q), states that a pesticide is "misbranded" if its labeling bears any statement, design, or graphic representation relative thereto or to its ingredients which is false or misleading in any particular.
11. Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E), states that it shall be unlawful for any person in any state to distribute or sell to any person a pesticide which is adulterated or misbranded.
12. Under 40 C.F.R. § 152.132, the distributor is considered an agent of the registrant for all intents and purposes under FIFRA, and both the registrant and the distributor may be held liable for violations pertaining to the distributor product.

COUNTS 1 - 12

Formula 158 Lemon Disinfectant

13. Paragraphs 1 through 12 are realleged and incorporated herein.
14. Respondent was the primary registrant of the antimicrobial pesticide "Formula 158 Lemon Disinfectant" (Lonza Formulation L-7, EPA Reg. No. 6836-165).
15. Banner Chemical Corp. was authorized to distribute "Formula 158 Lemon Disinfectant" product as a supplemental registrant (EPA Registration No. 6836-165-44230).
16. On or about September 9, 2003, an authorized inspector from EPA's Region 2 office inspected Banner Chemical Corp., located at 111 Hill Street, Orange, New Jersey 07050, in order to examine and collect samples of pesticides formulated, packaged, labeled and released for shipment, as authorized under Section 9 of FIFRA, 7 U.S.C. § 136g.
17. During the aforementioned inspection, the inspector collected a physical sample of the "Formula 158 Lemon Disinfectant" product in a factory sealed container and assigned the container sample no. 09090310399010205.
18. During the aforementioned inspection, the inspector also collected sales invoices documenting distribution or sale of "Formula 158 Lemon Disinfectant" by Banner Chemical Corp. on twelve (12) occasions as follows:

<u>Sample Number</u>	<u>Date</u>
09090310399010208	9-5-2003
09090310399010209	8-29-2003
09090310399010210	8-29-2003
09090310399010211	8-21-2003
09090310399010212	8-20-2003
09090310399010213	8-14-2003
09090310399010214	8-14-2003
09090310399010215	8-6-2003
09090310399010216	7-28-2003
09090310399010217	7-17-2003
09090310399010218	7-2-2003
09090310399010219	7-2-2003

19. "Formula 158 Lemon Disinfectant" was an antimicrobial pesticide as defined in Section 2(mm) of FIFRA, 7 U.S.C. §136(mm), in that the product was intended to disinfect, sanitize, reduce, or mitigate growth or development of microbiological organisms.
20. "Formula 158 Lemon Disinfectant" was registered for use as a hospital disinfectant; the label of the product bore a claim that the product was effective against *Pseudomonas aeruginosa* and *Staphylococcus aureus*.
21. The sample of "Formula 158 Lemon Disinfectant" was analyzed using the Association of Official Analytical Chemists (AOAC) Use Dilution Test and found ineffective against *Pseudomonas aeruginosa* when tested at a 5:128 dilution for a contact time of 10 minutes at 20 degrees centigrade.
22. The label of "Formula 158 Lemon Disinfectant," as packaged when offered for sale by Banner Chemical Corp., was false and misleading regarding its control of the *Pseudomonas aeruginosa* microorganism.
23. Therefore, the distributions or sales of "Formula 158 Lemon Disinfectant" constituted violations of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).
24. Respondent, through its supplemental registrant the Banner Chemical Corp., distributed or sold a misbranded pesticide in violation of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).

COUNT 13

hTh Brominating Tablets

25. Paragraphs 1 through 12 are realleged and incorporated herein.

26. Respondent was the primary registrant of the antimicrobial pesticide "hTh Brominating Tablets" (Dantobrom S, EPA Reg. No. 6836-116).
27. Arch Chemicals, Inc. was authorized to distribute "hTh Brominating Tablets" product as a supplemental registrant (EPA Registration No. 6836-116-1258).
28. On or about January 7, 2005, the California Department of Pesticide Regulation inspected Hills Flat Lumber Company, a retail store located at 1000 South Canyon Way, Colfax, California 95713.
29. During the aforementioned inspection, the inspector found "hTh Brominating Tablets" (EPA Reg. No. 6836-116-1258) offered for sale.
30. During the aforementioned inspection, the inspector collected one (1) sales invoice documenting distribution or sale of "hTh Brominating Tablets" on November 30, 2004, and assigned the invoice sample no. DOCSN01130543680205.
31. The "hTh Brominating Tablets" was an antimicrobial pesticide as defined in Section 2(mm) of FIFRA, 7 U.S.C. § 136(mm), in that the product was intended to disinfect, sanitize, reduce, or mitigate growth or development of microbiological organisms.
32. The "hTh Brominating Tablets" product label contained the following statement: "Kills bacteria, controls algae and destroys organic contaminants."
33. The above statement did not appear on the EPA-approved label for Dantobrom S, EPA Reg. No. 6836-116, as required by 40 C.F.R. § 152.132(d).
34. The label of the "hTh Brominating Tablets," as offered for sale by Hills Flat Lumber Company, was false in that it exhibited a misleading claim regarding its registered use.
35. Therefore, the distribution or sale of "hTh Brominating Tablets" constituted a violation of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).
36. Respondent, through its supplemental registrant the Arch Chemicals, Inc., distributed or sold a misbranded pesticide in violation of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).

COUNTS 14 - 23

Fresh and Clean

37. Paragraphs 1 through 12 are realleged and incorporated herein.

38. Respondent was the primary registrant of the antimicrobial pesticide "Fresh and Clean" (Lonza Formulation S-18, EPA Reg. No. 6836-77).
39. ABC Corp. was authorized to distribute the "Fresh and Clean" product (EPA Reg. No. 6836-77-56938) as a supplemental registrant.
40. On or about March 15, 2005, the Hawaii Department of Agriculture inspected ABC Corp., located at 94-085 Leonui Street, Waipahu, Hawaii 96797, as part of the EPA's Antimicrobial Testing Program.
41. During the aforementioned inspection, the inspector collected a physical sample of the "Fresh and Clean" product from a factory sealed container and assigned the container sample no. 03150543610101.
42. During the aforementioned inspection, the inspector collected sales invoices documenting distribution or sale by ABC Corp. of "Fresh and Clean" on ten (10) occasions as follows:

<u>Invoice Number</u>	<u>Order Date</u>
233554	2-24-2005
233603-1	2-28-2005
233793	3-4-2005
233840	3-7-2005
233891	3-8-2005
233862	3-8-2005
233888	3-8-2005
233904	3-9-2005
233916	3-9-2005
233990	3-10-2005

43. "Fresh and Clean" was an antimicrobial pesticide as defined in Section 2(mm) of FIFRA, 7 U.S.C. §136(mm), in that the product was intended to disinfect, sanitize, reduce, or mitigate growth or development of microbiological organisms.
44. "Fresh and Clean" was registered for use as a hospital disinfectant; the label of the product bore a claim that the product was effective against *Pseudomonas aeruginosa* and *Staphylococcus aureus*.
45. The sample of "Fresh and Clean" disinfectant was analyzed using the AOAC Use Dilution Test and found ineffective against *Pseudomonas aeruginosa* when tested at a 1:128 dilution in 5 percent horse serum for a contact time of 10 minutes at 20 degrees centigrade.
46. The label of "Fresh and Clean," as packaged when offered for sale by ABC Corp., was false

and misleading regarding its control of the *Pseudomonas aeruginosa* microorganism.

47. Therefore, the distributions or sales of “Fresh and Clean” constituted violations of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).
48. Respondent, through its supplemental registrant the ABC Corp., distributed or sold a misbranded pesticide in violation of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).

COUNTS 24 - 33

REV

49. Paragraphs 1 through 12 are realleged and incorporated herein
50. Respondent is the primary registrant of the antimicrobial pesticide “REV” (Lonza Formulation L-15, EPA Reg. No. 6836-164).
51. U.N.X. Incorporated was authorized to distribute the “REV” product (EPA Reg. No. 6836-164-7116) as a supplemental registrant.
52. On or about April 4, 2005, an authorized inspector from EPA’s Region 4 inspected U.N.X, Incorporated, located at 200 West 9th Street, Greenville, North Carolina 27834, in order to examine and collect samples of pesticides formulated, packaged, labeled and released for shipment, as authorized under Section 9 of FIFRA, 7 U.S.C. § 136g.
53. During the aforementioned inspection, the inspector collected a physical sample of the “REV” product from a factory sealed container and assigned the container sample no. 04040545530101.
54. During the aforementioned inspection, the inspector documented distribution or sale by U.N.X. Incorporated of the “REV” product ten (10) occasions as follows:

<u>Distribution/Sale</u>	<u>Date</u>
1	2-3-2005
2	2-9-2005
3	2-15-2005
4	2-23-2005
5	2-23-2005
6	3-7-2005
7	3-21-2005
8	3-28-2005
9	3-29-2005
10	3-30-2005

55. "REV" was an antimicrobial pesticide as defined in Section 2(mm) of FIFRA, 7 U.S.C. § 136(mm), in that the product was intended to disinfect, sanitize, reduce or mitigate growth or development of microbiological organisms.
56. The "REV" antimicrobial pesticide product was registered as a hospital disinfectant; the label of the product bore a claim that the product was effective against *Pseudomonas aeruginosa* and *Staphylococcus aureus*.
57. The sample of "REV" pesticide product was analyzed using the AOAC Use Dilution Test and found ineffective against *Pseudomonas aeruginosa* and *Staphylococcus aureus* when used according to label directions for one step cleaning of areas with light to medium soil loads and when used according to label directions for heavy soiled areas.
58. The label of "REV" antimicrobial pesticide product, as packaged when offered for sale or distribution by U.N.X. Incorporated, was false and misleading regarding its control of the *Pseudomonas aeruginosa* and *Staphylococcus aureus* microorganisms.
59. Therefore, the distributions or sales of "REV" constituted violations of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).
60. Respondent, through its supplemental registrant the U.N.X. Incorporated, distributed or sold a misbranded pesticide in violation of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).

PROPOSED CIVIL PENALTY

In view of the above-cited findings and pursuant to the authority of Section 14(a) of FIFRA, 7 U.S.C. § 136l, Complainant proposes, subject to receipt and evaluation of further relevant information, that Respondent be assessed the following civil penalty for the violations alleged in the Complaint:

Counts 1-12

Distribution or Sales of Misbranded Pesticides Pre 3/15/04

12 Counts @ \$5,500/violation.....\$ 66,000

Counts 13-33

Distribution or Sales of Misbranded Pesticides Post 3/15/04

21 Counts @ \$6,500/violation..... \$136,500

Total Penalty Assessment..... \$202,500

The proposed civil penalty has been determined in accordance with Section 14(a) of FIFRA, 7 U.S.C. § 136l (a), which authorizes the assessment of a civil penalty of up to \$5,000 for each

violation of FIFRA and the regulations promulgated pursuant thereto. As per the Civil Monetary Penalty Inflation Adjustment Final Rule, which was mandated by the Debt Collection Improvement Act of 1996 to adjust civil monetary penalties for inflation on a periodic basis, any violation that occurs on or after January 31, 1997 may be assessed a civil penalty up to \$5,500 for each violation, and any violation that occurs on or after March 15, 2004 may be assessed a civil penalty up to \$6,500 for each violation. 61 Fed. Reg. 69360 (December 31, 1996); 69 Fed. Reg. 7121 (February 13, 2004).

For purposes of determining the amount of any penalty to be assessed, Section 14 requires EPA to take into account the gravity of the violations. As to the violator, Section 14 requires EPA to take into account the appropriateness of the penalty to the size of the business of the person charged, and the effect of the penalty on the person's ability to continue in business.

To develop the proposed penalty in this Complaint, Complainant has taken into account the particular facts and circumstances of this case, to the extent known at the time of the filing of the Complaint, with specific reference to EPA's "Enforcement Response Policy For The Federal Insecticide, Fungicide and Rodenticide Act (FIFRA)," dated July 2, 1990, a copy of which is available upon request. This policy provides rational, consistent and equitable calculation methodologies for applying the statutory penalty factors enumerated above to particular cases.

PROCEDURES GOVERNING THIS ADMINISTRATIVE LITIGATION

The rules of procedure governing this civil administrative litigation have been set forth in 64 Fed. Reg. 40138 (July 23, 1999), entitled, "CONSOLIDATED RULES OF PRACTICE GOVERNING THE ADMINISTRATIVE ASSESSMENTS OF CIVIL PENALTIES, ISSUANCE OF COMPLIANCE OR CORRECTIVE ACTION ORDERS, AND THE REVOCATION, TERMINATION OR SUSPENSION OF PERMITS," and are codified at 40 C.F.R. Part 22 (2006). A copy of these rules accompanies this "Complaint and Notice of Opportunity for Hearing" (hereinafter referred to as the "Complaint").

A. Answering The Complaint

Where Respondent intends to contest any material fact upon which the Complaint is based, to contend that the proposed penalty is inappropriate or to contend that Respondent is entitled to judgment as a matter of law, Respondent must file with the Regional Hearing Clerk of EPA, Region 2, both an original and one copy of a written answer to the Complaint, and such Answer must be filed within 30 days after service of the Complaint. 40 C.F.R. § 22.15(a). The address of the Regional Hearing Clerk of EPA, Region 2, is:

**Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 2
290 Broadway, 16th floor
New York, New York 10007-1866**

Respondent shall also then serve one copy of the Answer to the Complaint upon Complainant and any other party to the action. 40 C.F.R. § 22.15(a).

Respondent's Answer to the Complaint must clearly and directly admit, deny, or explain each of the factual allegations that are contained in the Complaint and with regard to which Respondent has any knowledge. 40 C.F.R. § 22.15(b). Where Respondent lacks knowledge of a particular factual allegation and so states in its Answer, the allegation is deemed denied. 40 C.F.R. § 22.15(b). The Answer shall also set forth: (1) the circumstances or arguments that are alleged to constitute the grounds of defense, (2) the facts that Respondent disputes (and thus intends to place at issue in the proceeding), and (3) whether Respondent requests a hearing. 40 C.F.R. § 22.15(b).

Respondent's failure affirmatively to raise in the Answer facts that constitute or that might constitute the grounds of its defense may preclude Respondent, at a subsequent stage in this proceeding, from raising such facts and/or from having such facts admitted into evidence at a hearing.

B. Opportunity To Request A Hearing

If requested by Respondent in its Answer, a hearing upon the issues raised by the Complaint and Answer may be held. 40 C.F.R. § 22.15(c). If, however, Respondent does not request a hearing, the Presiding Officer (as defined in 40 C.F.R. § 22.3) may hold a hearing if the Answer raises issues appropriate for adjudication. 40 C.F.R. § 22.15(c).

Any hearing in this proceeding will be held at a location determined in accordance with 40 C.F.R. § 22.35(b). A hearing of this matter will be conducted in accordance with the applicable provisions of the Administrative Procedure Act, 5 U.S.C. §§ 551-59, and the procedures set forth in Subpart D of 40 C.F.R. Part 22.

C. Failure To Answer

If Respondent fails in its Answer to admit, deny, or explain any material factual allegation contained in the Complaint, such failure constitutes an admission of the allegation. 40 C.F.R. § 22.15(d). If Respondent fails to file a timely (i.e., in accordance with the 30-day period set forth in 40 C.F.R. § 22.15(a)) Answer to the Complaint, Respondent may be found in default upon motion. 40 C.F.R. § 22.17(a). Default by Respondent constitutes, for purposes of the pending proceeding only, an admission of all facts alleged in the Complaint and a waiver of Respondent's right to contest such factual allegations. 40 C.F.R. § 22.17(a). Following a default by Respondent for a failure to timely file an Answer to the Complaint, any order issued therefore shall be issued pursuant to 40 C.F.R. § 22.17(c).

Any penalty assessed in the default order shall become due and payable by Respondent without further proceedings 30 days after the default order becomes final pursuant to 40 C.F.R. § 22.27(c). 40 C.F.R. § 22.17(d). If necessary, EPA may then seek to enforce such final order of default against Respondent, and to collect the assessed penalty amount, in federal court.

D. Exhaustion Of Administrative Remedies

Where Respondent fails to appeal an adverse initial decision to the Environmental Appeals Board pursuant to 40 C.F.R. § 22.30, and that initial decision thereby becomes a final order pursuant to the terms of 40 C.F.R. § 22.27(c), Respondent waives its right to judicial review. 40 C.F.R. § 22.27(d).

In order to appeal an initial decision to the Agency's Environmental Appeals Board [EAB; see 40 C.F.R. § 1.25(e)], Respondent must do so "within thirty (30) days after the initial decision is served." 40 C.F.R. § 22.30(a). Pursuant to 40 C.F.R. § 22.7(c), where service is effected by mail, "5 days shall be added to the time allowed by these [rules] for the filing of a responsive document." Note that the 45-day period provided for in 40 C.F.R. § 22.27(c) (discussing when an initial decision becomes a final order) does not pertain to or extend the time period prescribed in 40 C.F.R. § 22.30(a) for a party to file an appeal to the EAB of an adverse initial decision.

INFORMAL SETTLEMENT CONFERENCE

Whether or not Respondent requests a formal hearing, EPA encourages settlement of this proceeding consistent with the provisions of the Act and its applicable regulations. 40 C.F.R. § 22.18(b). At an informal conference with a representative(s) of Complainant, Respondent may comment on the charges made in this complaint, and Respondent may also provide whatever additional information that it believes is relevant to the disposition of this matter, including: (1) actions Respondent has taken to correct any or all of the violations herein alleged, (2) any information relevant to Complainant's calculation of the proposed penalty, (3) the effect the proposed penalty would have on Respondent's ability to continue in business, and (4) any other special facts or circumstances Respondent wishes to raise.

Complainant has the authority to modify the amount of the proposed penalty, where appropriate, to reflect any settlement agreement reached with Respondent or any relevant information previously not known to Complainant, or to dismiss any or all of the charges if Respondent can demonstrate that the relevant allegations are without merit and that no cause of action as herein alleged exists. Respondent is referred to 40 C.F.R. § 22.18.

Any request for an informal conference or any questions that Respondent may have regarding this complaint should be directed to:

Karen L. Taylor, Esq.
Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 16th floor
New York, New York 10007-1866
(212) 637-3637

The parties may engage in settlement discussions irrespective of whether Respondent has requested a hearing. 40 C.F.R. § 22.18(b)(1). Respondent's requesting a formal hearing does not prevent it from also requesting an informal settlement conference; the informal conference procedure may be pursued simultaneously with the formal adjudicatory hearing procedure. A request for an informal settlement conference constitutes neither an admission nor a denial of any of the matters alleged in the Complaint. Complainant does not deem a request for an informal settlement conference as a request for a hearing as specified in 40 C.F.R. § 22.15(c).

A request for an informal settlement conference does not affect Respondent's obligation to file a timely Answer to the Complaint pursuant to 40 C.F.R. § 22.15. No penalty reduction, however, will be made simply because an informal settlement conference is held.

Any settlement that may be reached as a result of an informal settlement conference shall be embodied in a written consent agreement. 40 C.F.R. § 22.18(b)(2). In accepting the consent agreement, Respondent waives its right to contest the allegations in the Complaint and waives its right to appeal the final order that is to accompany the consent agreement. 40 C.F.R. § 22.18(b)(2). In order to conclude the proceeding, a final order ratifying the parties' agreement to settle will be executed. 40 C.F.R. § 22.18(b)(3).

Respondent's entering into a settlement through the signing of a Consent Agreement and its complying with the terms and conditions set forth in such Consent Agreement terminate this administrative litigation and the civil proceedings arising out of the allegations made in the Complaint. Respondent's entering into a settlement does not extinguish, waive, satisfy or otherwise affect its obligation and responsibility to comply with all applicable statutory and regulatory requirements, and to maintain such compliance.

RESOLUTION OF THIS PROCEEDING WITHOUT HEARING OR CONFERENCE

Instead of filing an Answer, Respondent may choose to pay the total amount of the proposed penalty within 30 days after receipt of the Complaint, provided that Respondent files with the Regional Hearing Clerk, Region 2 (at the New York address noted above), a copy of the check or other instrument of payment. 40 C.F.R. § 22.18(a). A copy of the check or other instrument of payment should be provided to the EPA Assistant Regional Counsel identified on the previous page. Payment of the penalty assessed should be made by sending a cashier's or

certified check payable to the "Treasurer, United States of America," in the full amount of the penalty assessed in this Complaint to the following addressee:

**Regional Hearing Clerk
E.P.A., Region 2
P.O. Box 360188M
Pittsburgh, Pennsylvania 15251**


The check shall be identified with a notation of the name and docket number of this case as follows:

In the Matter of Lonza Inc., Docket No. FIFRA-02-2007-5116

Pursuant to 40 C.F.R. Section 22.18(a)(3), if Respondent elects to pay the full amount of the penalty proposed in the Complaint within 30 days of receiving the Complaint, then, upon EPA's receipt of such payment, the Regional Administrator of EPA, Region 2 (or, if designated, the Regional Judicial Officer), shall issue a final order. Issuance of this final order terminates this administrative litigation and the civil proceedings arising out of the allegations made in the Complaint. Further, pursuant to 40 C.F.R. Section 22.18(a)(3), the making of such payment by Respondent shall constitute a waiver of Respondent's right both to contest the allegations made in the Complaint and to appeal said final order to federal court. Such payment does not extinguish, waive, satisfy or otherwise affect Respondent's obligation and responsibility to comply with all applicable regulations and requirements, and to maintain such compliance.

Dated: MARCH 30, 2007
New York, New York

COMPLAINANT:



Dore LaPosta, Director
Division of Enforcement and Compliance Assistance
U.S. Environmental Protection Agency, Region 2

TO: Mr. Stephan Kutzer
President
Lonza Inc.
90 Buroline Road

CERTIFICATE OF SERVICE

This is to certify that I have this day caused to be sent a copy of the foregoing Complaint, bearing docket number FIFRA-02-2007-5116, and a copy of the Consolidated Rules of Practice, 40 C.F.R. Part 22 (July 1, 2006), by certified mail, return receipt requested, to:

Mr. Stephan Kutzer
President
Lonza Inc.
90 Buroline Road
Allendale, NJ 07401

I hand-carried the original and a copy of the foregoing Complaint to the office of the Regional Hearing Clerk, United States Environmental Protection Agency, Region 2.

Dated: APR - 4, 2007
New York, New York

