

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7
11201 RENNER BOULEVARD
LENEXA, KANSAS

FILED

October 23, 2025

9:03AM

U.S. EPA REGION 7
HEARING CLERK

In the Matter of:

JWC Futures, LLC

Respondent.

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Docket No. CAA-07-2025-0230

ADMINISTRATIVE ORDER FOR COMPLIANCE ON CONSENT

Preliminary Statement

1. The United States Environmental Protection Agency, Region 7, is issuing this Administrative Order for Compliance on Consent (Order) to JWC Futures, LLC (Respondent), pursuant to Section 113(a)(3)(B) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(3)(B).

2. This Order requires Respondent to comply with the requirements of Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1). The terms of this Order shall not be modified except by a subsequent written agreement between the parties.

3. By entering into this Order, Respondent: (1) consents to and agrees not to contest EPA's authority or jurisdiction to issue or enforce this Order; (2) agrees to undertake all actions required by the terms and conditions of this Order; (3) consents to personal service by electronic mail at *rfgmartin@gmail.com*; and (4) consents to be bound by the requirements set forth herein. Respondent also waives any and all remedies, claims for relief, and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this Order, including, but not limited to, any right of judicial review of this Order under Section 307(b)(1) of the CAA, 42 U.S.C. § 7607(b)(1), or under the Administrative Procedure Act, 5 U.S.C. §§ 701-706.

Statutory and Regulatory Background

4. In response to growing public concern and awareness of the threats posed by accidental release of extremely hazardous substances, Congress amended the CAA in 1990 to include the accidental release provisions found in Section 112(r), 42 U.S.C. § 7412(r). The objective of Section 112(r) of the CAA, 42 U.S.C. § 7412(r), is to prevent the accidental release, and to minimize the consequence of any such release, of any substance listed pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3), or any other extremely hazardous substance.

5. Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), provides that owners and operators of stationary sources producing, processing, handling, or storing substances listed pursuant to Section 112(r)(3) of the CAA, U.S.C. § 7412(r)(3), or any other extremely hazardous substance, have a general duty, in the same manner and to the same extent as the Occupational Safety and Health Act, 29 U.S.C. § 654 *et. seq.*, to identify hazards which may result from accidental releases of such substances using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.

6. Pursuant to Section 112(r)(3), 42 U.S.C. § 7412(r)(3), EPA promulgated a list of substances, which in the case of an accidental release, are known to cause or may reasonably be anticipated to cause death, injury, or serious adverse effects to human health or the environment. This list is codified at in the code of federal regulations at 40 C.F.R. § 68.130.

7. Section 113(a)(3)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(B), grants the Administrator the authority to issue an order requiring compliance to any person who has violated or is violating Section 112(r)(1) of the CAA. The Administrator has delegated this authority to the Director of the Enforcement and Compliance Assurance Division.

Definitions

8. Section 302(e) of the CAA, 42 U.S.C. § 7602(e), defines “person” to include any individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency department, or instrumentality of the United States and any officer, agent, or employee thereof.

9. Section 112(r)(2)(A) of the CAA, 42 U.S.C. § 7412(r)(2)(A), defines “accidental release” as an unanticipated emission of a regulated substance or other extremely hazardous substance into the ambient air from a stationary source.

10. Section 112(a)(9) of the CAA, 42 U.S.C. § 7412(a)(9), defines “owner or operator” as any person who owns, leases, operates, controls, or supervises a stationary source.

11. Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), defines “stationary source” as any buildings, structures, equipment, installations or substance emitting stationary activities which belong to the same industrial group, which are located on one or more contiguous properties, which are under the control of the same person (or persons under common control) and from which an accidental release may occur.

12. Section 112(r)(2)(B) of the CAA, 42 U.S.C. § 7412(r)(2)(B), defines “regulated substance” as a substance listed under Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3). These substances are codified in 40 C.F.R. § 68.130.

13. Under the General Duty Clause, the term “extremely hazardous substance” includes, but is not limited to, substances listed pursuant to Sections 112(r)(3) through (5) of the CAA, 42 U.S.C. § 7412(r)(3) through (5). Other “extremely hazardous substances” may include any substance that alone or in combination with other substances or factors may cause death, serious injury, or substantial property damages as a result of short-term exposures associated with releases to the air. *See* 40 C.F.R. § 1604.2, 84 Fed. Reg. 67899, 67905 (Dec. 12, 2019); 85 Fed. Reg. 10074, 10083 (Feb. 21, 2020); and Senate Committee on Environment and Public Works, Clean Air Act Amendments of 1989, Sen. Report No. 101-228, at 211, *reprinted in* 1990 U.S.C.C.A.N. 3385, 3596 (1989).

Findings of Fact and Law

14. Respondent is a “person,” as defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

15. Respondent owns a glycerin processing facility located at 419 Exchange Street, Keokuk, Iowa (the Facility).

16. The Facility is a “stationary source,” as defined by Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C).

17. In March 2024, Respondent purchased the Facility from Glycerin Traders, LLC, a company that recycled by-products of biodiesel fuel production. Glycerin Traders, LLC, continued to operate the Facility until ceasing operations in March of 2025.

18. On May 15-16, 2024, EPA conducted a RCRA compliance inspection at the Facility. At the time of the inspection, EPA identified the Facility as a reclaimer of hazardous secondary materials under 40 C.F.R. § 261.4(a)(24)(vi) and found that the Facility was not in compliance with the notification and other requirements for management and reclamation of hazardous secondary materials, including crude glycerin, as required by 40 C.F.R. § 261.4(a)(24)(vi).

19. On November 19-20, 2024, EPA conducted a CAA compliance inspection at the Facility and found that, based the use and storage of crude glycerin and methanol, the Facility was not in compliance with CAA § 112(r)(1)’s requirements to identify hazards which may result from releases using appropriate hazard techniques and design and maintain a safe facility by taking such steps as are necessary to prevent releases of extremely hazardous substances.

20. After Glycerin Traders, LLC ceased operations at the Facility in March of 2025, Respondent estimated that the following chemicals were at the Facility:

- a. 40,000 gallons of methanol, consisting of finished methanol (99.95% methanol) stored in a fixed roof storage tank and wet methanol (methanol mixture containing great than 0.05% water) stored in a frac tank;
- b. Approximately 1,000 gallons of hydrochloric acid (material consisting of 26-37% hydrochloric acid) stored in a tank; and
- c. Over 100 totes (250-275 gallon capacity each) full of materials, including methanol, glycerin, and fats and oils, from spill cleanup events at the Facility.

21. Based upon information provided by Respondent, the methanol and hydrochloric acid remain at the Facility and the 100 totes have been removed.

22. Methanol, CAS 67-56-1, is an “extremely hazardous substance” within the meaning of Section 112(r)(1) of the CAA and is a flammable material that requires specialized fire suppression because it can burn with no visible flame and stays flammable even when mixed with large quantities of water. It poses an extreme hazard and exposure can cause serious or permanent injury even with medical treatment.

23. Methanol is a “hazardous substance” pursuant to Section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), with a reportable release quantity of 5,000 pounds as listed at 40 C.F.R. Part 302, Table 302.4, and may be considered a D001 ignitable hazardous waste under RCRA; see 40 C.F.R. § 261.21.

24. Hydrochloric acid, CAS 7647-01-0, is a “regulated substance” pursuant to Section 112(r)(3) of the CAA, 42 U.S.C. § 7412(r)(3). *See* 40 C.F.R. § 68.130. Hydrochloric acid is a toxic material that is an aqueous solution containing hydrogen chloride. It poses risk of evaporation and release of hydrogen chloride which has an Immediately Dangerous to Life and Health level of 50 ppm.

25. Hydrochloric Acid is a “hazardous substance” pursuant to Section 101(14) of CERCLA, with a reportable release quantity of 5,000 pounds as listed at 40 C.F.R. Part 302, Table 302.4, and may be considered a D002 corrosive hazardous waste under RCRA; see 40 C.F.R. § 261.22.

26. Respondent is subject to the requirements of Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1), because it is the owner of a stationary source that is producing, processing, handling, or storing substances listed pursuant to Section 112(r)(3), 42 U.S.C. § 7412(r)(3), and/or extremely hazardous substances pursuant to Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

27. On April 22, 2025, EPA issued Respondent and Glycerin Traders, LLC a notice letter regarding the requirement to eliminate facility fire hazards posed by the methanol stored at the Facility. The letter set forth certain EPA findings of noncompliance under Section 112(r)(1)

of the CAA, requested a plan to eliminate the fire hazards within five (5) days, and notified Respondent that it had ninety (90) days after ceasing operations to sell, use, or otherwise dispose of the chemicals at the Facility pursuant to RCRA regulations at 40 C.F.R. § 261.4(c).

28. Respondent did not submit a plan to eliminate the fire hazards at the Facility. On May 2, 2025, Respondent notified EPA that the power was disconnected to the Facility. On August 27, 2025, Respondent notified EPA that the power was turned back on around July 27, 2025, and submitted a cost estimate to repair the electrical system at the Facility, but has not scheduled the repairs.

29. On June 24, 2025, EPA sent an information request to Respondent pursuant to Section 3007 of RCRA, 42 U.S.C. § 6927, requiring Respondent to submit a waste determination within fifteen (15) days for each solid waste stream generated at the Facility. EPA did not receive any waste determinations from Respondent.

30. During a meeting with EPA on October 14, 2025, Respondent stated that it intends to sell the methanol and hydrochloric acid at the Facility, and has an executed sales contract in place for purchase of the methanol and a potential buyer for the hydrochloric acid. Respondent further stated that it will take at least three months for the methanol to be removed from the Facility.

Findings of Violation

31. The facts stated in Paragraphs 14 through 30, above, are herein incorporated.

Count 1

Failure to Perform a Hazard Assessment

32. Section 112(r)(1) of the CAA requires owners and operators of stationary sources producing, processing, handling, or storing substances listed in 40 C.F.R. Part 68 or any other extremely hazardous substance to identify hazards which may result from accidental releases of such substances using appropriate hazard assessment techniques.

33. EPA's investigation revealed that Respondent did not identify the hazards of the chemicals being used, stored and processed at the Facility or perform an assessment that included the consequences of accidental releases and methods used to prevent releases or mitigate releases that occurred. Ensuring the proper hazard analysis of operations involving ignitable (flammable or combustible) liquids for fire protection, fire control and emergency action plans are industry standards identified in the National Fire Protection Association (NFPA) 30.

34. Respondent's failure to identify hazards which may result from accidental releases using appropriate hazard assessment techniques is a violation of Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

**Count 2
Failure to Design and Maintain a Safe Facility**

35. Section 112(r)(1) of the CAA requires owners and operators of stationary sources producing, processing, handling, or storing substances listed in 40 C.F.R. Part 68 or any other extremely hazardous substance to design and maintain a safe facility by taking such steps as are necessary to prevent releases.

36. EPA's investigation revealed that Respondent did not identify classified and unclassified locations for electrical systems at the Facility. Properly distinguishing between unclassified and classified areas in appropriate documentation, including the specifications for the type of classified electrical equipment to be installed, ensures that all electrical wiring and equipment is maintained, repaired and replaced in a manner that prevents fires and explosions, and are industry standards identified by the National Fire Protection Association (NFPA) 70, and National Electrical Code (NEC) Chapter 5, Article 500.4.

37. EPA's investigation revealed that Respondent did not follow protection techniques for electrical equipment in hazardous (classified) locations. EPA inspectors identified electrical wiring that was exposed outside of sealed conduit in areas near methanol storage and processing. This included exposed wiring between the electrical conduit and the emergency stop button for the pump system in the methanol storage tank room and wiring associated with the disabled fire foam suppression system. Electrical equipment associated with safety systems, including lighting in the methanol tank room and the emergency visual fire alarm system lights near the methanol storage area, was not functioning. Exposed wires can be an ignition source in areas where ignitable chemicals are located because they increase the risk of fire. Non-functioning emergency visual or audible alarms can lead to injuries and fatalities when employees are not immediately aware of a fire, such as a methanol fire, that may not be immediately obvious due to its properties (methanol fires burn blue, which can be difficult to see). Ensuring the safe installation of electrical wiring and equipment consistent with the National Electric Code are industry standards identified by the NFPA 70 and NEC, Chapter 5, Article 500.7 and Article 501.10(A) and (B).

38. EPA's investigation revealed that Respondent did not follow protection techniques for fire suppression equipment in the methanol processing and storage areas at the Facility. EPA inspectors identified missing and damaged equipment associated with the fire suppression system. Ensuring the inspection, testing, maintenance and impairment of water-based fire protection systems are industry standards identified by the NFPA 25 and 72.

39. Respondent's failures to design and maintain electrical wiring and systems and fire suppression systems to prevent the risk of fire are violations of Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

Order for Compliance

40. Based upon the findings set forth above, and pursuant to the authority of Section 113(a)(3)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(B), it is hereby ordered and agreed that Respondent shall take all necessary actions to correct, eliminate, and prevent recurrence of the alleged violations cited above and come into compliance with applicable requirements of Section 112(r)(1) of the CAA, 42 U.S.C. § 7412(r)(1).

41. Within thirty (30) days of the Effective Date, Respondent shall:

- a. Develop and submit to EPA a hazard assessment for the methanol and hydrochloric acid at the Facility that includes updated Safety Data Sheets, risks associated with releases of the materials, and control measures employed to reduce the consequences of a release;
- b. Repair all electrical systems at the Facility, including the methanol storage and processing areas, consistent with applicable NFPA and NEC standards;
- c. Make all necessary repairs to the existing fire suppression system to maintain the system in working order; and
- d. Hire a qualified contractor(s) to perform the work required by this paragraph.

Notifications and Reports

42. Contractor Notification: Within ten (10) days of the Effective Date, Respondent shall submit the names and qualifications of the contractor(s) hired and associated quotes or invoices to perform the work required by Paragraph 41, above.

43. CAA Completion Report: Within sixty (60) days of the Effective Date, Respondent shall submit a completion report documenting the actions taken to comply with Paragraph 41, above. The report shall include a description of actions taken, work orders detailing work that was planned and final work performed, photographs showing the completed work, and Respondent's costs associated with performance of the work.

44. All submissions to EPA required by this Order shall contain the following certification signed by an authorized representative of Respondent:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

45. All submissions to EPA required by this Order shall be sent by electronic mail to:

Lynelle Ladd
Ladd.lynelle@epa.gov
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency, Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219.

46. All documents submitted by Respondent to EPA in the course of implementing this Order shall be available to the public unless identified as confidential by Respondent pursuant to 40 C.F.R. Part 2, Subpart B, and determined by EPA to merit treatment as confidential business information in accordance with applicable law.

General Provisions

Enforcement Authority

47. Failure to comply with this Order may subject Respondent to penalties of up to \$59,114 per day of CAA violation under Section 113(d)(1)(B) of the CAA, 42 U.S.C. § 7413(d)(1)(B), or up to \$124,426 per day of CAA violation under Section 113(b)(2) of the CAA, 42 U.S.C. § 7413(b)(2).

48. Compliance with this Order shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief, civil penalties, or criminal sanctions for any violations of law. This Order does not affect the obligation of Respondent to comply with all federal, state, and local statutes, regulations, and permits.

Taxpayer Identification Number

49. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, EPA is required to send to the Internal Revenue Service (IRS) annually, a completed IRS Form 1098-F (“Fines, Penalties, and Other Amounts”) with respect to any court order or settlement agreement (including administrative settlements) that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, \$50,000 for the payor’s violation of any law

or the investigation or inquiry into the payor's potential violation of any law, including amounts paid for "restitution or remediation of property" or to come "into compliance with a law." EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Respondent's failure to provide IRS Form W-9 or Tax Identification Number ("TIN"), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. To provide EPA with sufficient information to fulfill these obligations, Respondent agrees that:

- a. Respondent shall complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification"), which is available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>;
- b. Respondent shall certify that its completed IRS Form W-9 includes Respondent's correct TIN or that Respondent has applied and is waiting for issuance of a TIN;
- c. Respondent shall email its completed Form W-9 to EPA's Cincinnati Finance Center at sherrer.dana@epa.gov within 30 days after the Effective Date of this Order, and EPA recommends encrypting IRS Form W-9 email correspondence; and
- d. In the event that Respondent has certified in its completed IRS Form W-9 that it does not yet have a TIN but has applied for a TIN, Respondent shall provide EPA's Cincinnati Finance Division with Respondent's TIN, via email, within five (5) days of Respondent's receipt of a TIN issued by the IRS.

Amendment of Order

50. EPA may subsequently amend this Order, in writing, in accordance with the authority of the CAA. Any amendment will be transmitted to Respondent. In the event of any such subsequent amendment to this Order, all requirements for performance of this Order not affected by the amendment shall remain as specified by the original Order.

Access and Requests for Information

51. Nothing in this Order shall limit EPA's right to obtain access to, and/or inspect Respondent's Facility, and/or to request additional information from Respondent pursuant to the authority of Section 114 of the CAA, 42 U.S.C. § 7414.

Effective Date

52. This Order shall become effective on the date that it is signed by the authorized EPA representative (Effective Date).

53. Unless otherwise stated, all time periods stated herein shall be calculated in calendar days from such date.

Termination

54. This Order shall terminate one year after the Effective Date, or when a written notice of termination issued by an authorized representative of EPA stating that all requirements of this Order have been met, whichever is earlier.

Notice to the State

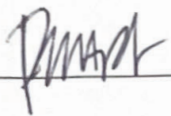
55. Pursuant to Section 113(a)(4) of the CAA, 42 U.S.C. § 7413(a)(4), Iowa has been provided notice of this action.

For the U.S. ENVIRONMENTAL PROTECTION AGENCY:

David Cozad
Director
Enforcement and Compliance Assurance Division

For RESPONDENT:

JWC FUTURES, LLC

By: 

Title: Member

Date: 10-22-24

CERTIFICATE OF SERVICE
(to be completed by EPA)

I certify that on the date noted below I hand delivered the original and one true copy of this Administrative Order for Compliance on Consent to the Regional Docket Clerk, United States Environmental Protection Agency, 11201 Renner Blvd, Lenexa, Kansas 66219.

I certify that a true and correct copy of the foregoing Order was sent this day in the following manner to the addressees:

Copy via E-mail to Complainant:

Kasey Barton, EPA, *barton.kasey@epa.gov*

Lynelle Ladd, EPA, *ladd.lynelle@epa.gov*

Carrie Venerable, EPA, *venerable.carrie@epa.gov*

Copy via E-mail to Respondent:

Robert Martin, Owner
JWC Futures, LLC
410 Johnson Street
Keokuk, Iowa 52632
rfgmartin@gmail.com

Dated and Signed