

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2 290 BROADWAY NEW YORK, NY 10007-1866



JUN 3 0 2009

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Richard Biegun, Owner Quadrupeds Products, Inc. 56 Cherry Ave. West Sayville, New York 11796

Re:

In the Matter of Quadrupeds Products, Inc.

Docket No. FIFRA-02-2009-5204

Dear Mr. Biegun:

Enclosed is the Complaint and Notice of Opportunity for Hearing, and supporting documents in the above-referenced proceeding. This Complaint alleges violations of the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA).

You have the right to a formal hearing to contest any of the allegations in the complaint and/or 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,

Døre LaPosta, Director

Division of Enforcement and Compliance Assistance

Enclosures

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

Maureen Serafini, NYSDEC

PROTECT STAY ROUTENTAL REGIONAL FEARING

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 2

In the Matter of

Quadrupeds Products, Inc.,

COMPLAINT AND NOTICE OF OPPORTUNITY FOR HEARING

Respondent.

Docket No. FIFRA-02-2009-5204

Proceeding Under the Federal Insecticide, Fungicide and Rodenticide Act, as amended.

Complainant hereby alleges as and for her Complaint against Respondent:

- 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), to assess a civil penalty against Respondent for having committed acts made unlawful under the provisions of Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A).
- 2. This tribunal has jurisdiction over this administrative proceeding pursuant to Section 14(a)(1) of FIFRA, 7 U.S.C. § 136*l*(a)(1), and 40 C.F.R. § 22.1(a)(1).
- 3. The Complainant, 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.
- 4. Respondent is Quadrupeds Products, Inc., (hereinafter alternatively referred to as "Quadrupeds", or "Respondent").
- 5. Respondent is a for-profit corporation operating in the State of New York.
- 6. Respondent is engaged in the business of manufacturing pet grooming products.

- 7. Respondent has been, and continues to be, a "person" as defined by FIFRA Section 2(s), 7 U.S.C. Section 136(s), and as such, is subject to FIFRA and the regulations promulgated thereunder.
- 8. Respondent owns and operates a facility located at 56 Cherry Avenue in West Sayville (Suffolk County), New York, hereinafter "Respondent's facility".
- 9. Respondent's facility constitutes an "establishment", as defined in Section 2(dd) of FIFRA, 7 U.S.C. § 136(dd).
- 10. Respondent is a "distributor or seller" within the meaning of Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg).
- 11. Respondent is a "wholesaler", "dealer", or "other distributor" within the meaning of Section 14(a) (1) of FIFRA, 7 U.S.C. §136<u>l</u>(a) (1).
- 12. On or about December 17, 2008, an inspector, duly appointed by the EPA Administrator, inspected Debbie's Pet Parlor located at 1502-C Ehringhaus Street, Elizabeth City, NC.
- 13. The inspection described in the previous paragraph was conducted pursuant to and in accordance with the provisions of Section 9(a)(1) of FIFRA, 7 U.S.C. § 136g(a)(1).
- 14. As a direct the result of the inspection described in paragraphs 12-13, EPA obtained evidence of the distribution and/or sale of Natural Yucca Flea & Tick Concentrated Tearless Shampoo.
- 15. Quadruped produces and/or distributes and continues to produce and/or distribute Natural Yucca Flea & Tick Concentrated Tearless Shampoo.
- 16. A photographic sample of the label of the Natural Yucca Flea & Tick Concentrated Tearless Shampoo product was collected and assigned EPA Sample number 12170818730201GVD.
- 17. The label on the Natural Yucca Flea & Tick Concentrated Tearless Shampoo product described in paragraphs 16, above, does not bear an EPA product registration number or an EPA pesticide producing establishment registration number.
- 18. The claims on the label the Natural Yucca Flea & Tick Concentrated Tearless Shampoo product, indicate that such product is intended for the purpose of preventing, destroying, repelling or mitigating pests.
- 19. At least up to the time of the 2008 inspection, Respondent has not registered the pesticidal product Natural Yucca Flea & Tick Concentrated Tearless Shampoo product with the EPA.

- 20. 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.
- 21. 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.
- 22. Fleas and ticks constitute pests within the meaning of Section 2(t) of FIFRA, 7 U.S.C. § 136(t), and in 40 C.F.R. § 152.5(b).
- 23. Title 40 C.F.R. § 152.15(a)(1) states, in part, that a substance is considered to be intended for a pesticidal purpose, and thus to be a pesticide requiring registration, if "(a) [t]he person who distributes or sells the substance claims, states or implies (by labeling or otherwise): (1) [t]hat the substance (either by itself or in combination with any other substance) can or should be used as a pesticide; . . ."
- 24. Title 40 C.F.R. §152.15(c) states that a substance is considered to be intended for a pesticidal purpose, and thus to be a pesticide requiring registration, if "[t]he person who distributes or sells the substance has actual or constructive knowledge that the substance will be used, or is intended to be used, for a pesticidal purpose."
- 25. Therefore, Quadruped's Natural Yucca Flea & Tick Concentrated Tearless Shampoo is a pesticide within the meaning of FIFRA Section 2(u), 7 U.S.C. § 136(u).
- 26. Pursuant to and in accordance with Section 3 of FIFRA, 7 U.S.C. § 136a, Respondent was required to register the pesticide described in paragraphs 15-18, above, with the EPA.
- 27. "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".
- 28. Respondent distributes or sells, and continues to be so engaged, of distributing or selling pesticides within the meaning of "to distribute or sell" in FIFRA Section 2 (gg), 7 U.S.C. § 136(gg), pesticide products.
- 29. Any distribution or sale of a pesticide that has not previously been registered under Section 3 of FIFRA, 7 U.S.C. § 136a, is a prohibited act under 40 C.F.R. § 152.15 and constitutes a violation of Section 12(a) (1) (A) of FIFRA, 7 U.S.C. § 136j (a) (1) (A).
- 30. Section 14(a)(1) of FIFRA, 7 U.S.C. § 136l(a)(1), provides, in part, that "[a]ny... wholesaler,

- dealer, retailer, or other distributor who violates any provision of this subchapter [subchapter II of FIFRA 7 U.S.C. §§ 136 136y] may be assessed a civil penalty by the Administrator [of EPA] of not more than \$5,000 for each offense."
- 31. Under authority of the Federal Civil Penalties Inflation Adjustment Act of 1990, 104 Stat. 890, Public Law 101-410 (codified at 28 U.S.C. § 2461 note), as amended by the Debt Collection Improvement Act of 1996, 110 Stat. 1321, Public Law 104-134 (codified at 31 U.S.C. § 3701 note), EPA has promulgated regulations, codified at 40 C.F.R. Part 19, that, *inter alia*, increase the maximum penalty EPA might obtain pursuant to Section 14(a)(1) of FIFRA, 7 U.S.C. § 136l(a)(1) to \$6,500 for any violation occurring after March 15, 2004.
- 32. Section 14(a)(3) of FIFRA, 7 U.S.C. 136l(a)(3), provides that "[n]o civil penalty shall be assessed unless the person charged shall have been given notice and opportunity for a hearing on such charge in the county, parish, or incorporated city of the residence of the person charged."
- 33. This "COMPLAINT AND NOTICE OF OPPORTUNITY FOR HEARING" ("Complaint") constitutes the aforementioned (¶ 32, above) written notice.

Count 1

Distribution/Sale of Natural Yucca Flea & Tick Concentrated Tearless Shampoo

- 34. Complainant realleges each allegation contained in Paragraphs 1 through 33, inclusive, as if fully stated herein.
- 35. At the time of the 2008 Inspection (and at other times prior and subsequent thereto), Respondent distributed and/or sold Natural Yucca Flea & Tick Concentrated Tearless Shampoo product in a 16 fluid ounce, container from its facility.
- 36. Quadruped's Natural Yucca Flea & Tick Concentrated Tearless Shampoo in the ordinary course of interstate commerce was ultimately found for distribution/sale at Debbie's Pet Parlor.
- 37. The Natural Yucca Flea & Tick Concentrated Tearless Shampoo product label for the 16 ounce container bears the following pesticidal claims/statements:
 - a. "... this shampoo penetrates the shells of fleas and ticks causing their natural instant and safe elimination..."; and
 - b. "Use Quadruped Yucca Flea & Tick Spray to eliminate fleas in pet's indoor environment."

- 38. At all times relevant to this complaint, Respondent's Natural Yucca Flea & Tick Concentrated Tearless Shampoo product had a label similar or identical to EPA Sample Number 12170818730201GVD and made similar or identical pesticidal claims to those in the previous paragraph.
- 39. Respondent's Natural Yucca Flea & Tick Concentrated Tearless Shampoo product is intended for the purpose of preventing, destroying, repelling, or mitigating pests, and as such, the product is a "pesticide" as that term is defined in Section 2 (u) of FIFRA, 7 U.S.C. §136(u).
- 40. Respondent's aforementioned distribution and/or sale of the Natural Yucca Flea & Tick Concentrated Tearless Shampoo product constitute a distribution and/or sale of an unregistered pesticide.
- 41. Respondent's aforementioned distribution and/or sale of the unregistered pesticide Natural Yucca Flea & Tick Concentrated Tearless Shampoo constitute a separate and distinct violation of Section 12(a) (1) (A) of FIFRA, 7 U.S.C. § 136j(a)(1)(a), for which a penalty may be assessed pursuant to Section 14(a)(1) of FIFRA, 7 U.S.C. § 1361(a)(1).

PROPOSED CIVIL PENALTY

The proposed civil penalty has been determined in accordance with Section 14(a) of FIFRA, 7 U.S.C. § 136*l*(a), as amended, which authorizes the assessment of a civil penalty of up to \$6,500 for each violation of "any provision of" subchapter II of FIFRA, 7 U.S.C. §§ 136 - 136y.

For purposes of determining the amount of any penalty to be assessed, Section 14 of FIFRA requires that EPA "shall consider the appropriateness of such penalty to the size of the business of the person charged, the effect on the person's ability to continue in business, and the gravity of the violation." Section 14(a) (4) of FIFRA, 7 U.S.C. § 136l (a) (4), takes into account the nature, circumstances, extent and gravity of the violations.

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 its filing, with specific reference to EPA's "Enforcement Response Policy for The Federal Insecticide, Fungicide and Rodenticide Act (FIFRA)," dated July 2, 1990 (hereinafter referred to as the "ERP). A copy of the ERP is available upon request or may be obtained from the Internet at this address: http://cfpub.epa.gov/compliance/resources/policies/civil/fifra/. This guidance policy provides rational, consistent and equitable calculation methodologies for applying the statutory penalty criteria enumerated above to particular cases.

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:

Distribution and/or Sale of Unregistered Pesticide 1 Count @ \$6,500 per violation	
Total Penalty Assessment	\$ 6,500

PROCEDURES GOVERNING THIS ADMINISTRATIVE LITIGATION

The rules of procedure governing this civil administrative litigation have been set forth in the "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 (2008). 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, ". . . five 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:

Jeannie M. Yu 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) 637-3205 (telephone) (212) 637-3199 (fax)

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:

U.S. Environmental Protection Agency Fines and Penalties Cincinnati Finance Center PO Box 979077 St. Louis, MO 63197-9000

The check shall be identified with a notation of the name and docket number of this case as follows: In the Matter of Quadrupeds Products, Inc., Docket No. FIFRA 02-2009-5204

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: JUNE 30, 2009 New York, New York

COMPLAINANT:

Dore LaPosta, Director Division of Enforcement and Compliance Assistance

U.S. E.P.A. - Region 2

TO: Richard Beigun

Owner

Quadrupeds Products, Inc.

56 Cherry Avenue

West Sayville, New York 11796

CERTIFICATE OF SERVICE

Mildred n. Bae

This is to certify that I have this day caused to be mailed a copy of the foregoing Complaint, bearing docket number FIFRA-02-2009-5204, and a copy of the Consolidated Rules of Practice, 40 C.F.R. Part 22 (2008), by certified mail, return receipt requested, to:

Richard Beigun Owner Quadrupeds Products, Inc. 56 Cherry Avenue West Sayville, New York 11796

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: , 2009 New York, New York