BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION III

1650 Arch Street Philadelphia, Pennsylvania 19103-2029

IN THE MATTER OF)		
E. I. du Pont de Nemours and Company 1007 Market Street))	DOCKET NO: FIFRA-03-201	4-02字
Wilmington, DE 19898)	CONSENT AGREEMENT	
Respondent))		

CONSENT AGREEMENT

Preliminary Statement

This Consent Agreement is entered into by the Director of the Land and Chemicals Division, U.S. Environmental Protection Agency, Region III ("Complainant"), and E. I. du Pont de Nemours and Company ("Respondent"), pursuant to Section 14(a) of the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), as amended, 7 U.S.C. § 136l(a), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/ Termination or Suspension of Permits ("Consolidated Rules of Practice"), 40 C.F.R. Part 22.

Pursuant to Sections 22.13(b) and 22.18(b)(2) and (3) of the *Consolidated Rules of Practice*, 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3), this Consent Agreement and the attached Final Order (collectively, "CAFO,") resolve Complainant's claims for civil penalties against Respondent for the violations of FIFRA alleged herein.

General Provisions

- 1. Complainant and Respondent agree that settlement of this matter is in the public interest and that entry of this CAFO without litigation is the most appropriate means of resolving this matter. For purposes of this proceeding only, Respondent admits the jurisdictional allegations set forth in this CAFO.
- 2. Except as provided in paragraph 1 herein, Respondent neither admits nor denies the specific factual allegations set forth in this CAFO. Nothing in this CAFO shall be construed as an admission of liability on the part of Respondent nor shall this CAFO be used as evidence in any other proceeding, except any proceeding to which the U.S. Environmental Protection Agency ("EPA") is a party, including any proceeding to enforce this CAFO.
- 3. Respondent agrees not to contest the jurisdiction of the EPA with respect to the execution of this Consent Agreement, the issuance of the attached Final Order, and the enforcement of the CAFO.

- 4. For the purposes of this proceeding only, Respondent hereby expressly waives any right to contest any issue of law or fact set forth in this Consent Agreement and any right to appeal the accompanying Final Order.
- 5. Without adjudication of any issue of fact or law herein except to the extent provided in paragraph 1 above, Respondent consents to the issuance of this CAFO and agrees to comply with its terms.
- 6. Respondent shall bear its own costs and attorney's fees.
- 7. Respondent agrees not to deduct for civil taxation purposes the civil penalty paid pursuant to this CAFO.

EPA's Allegations

- 8. In accordance with Section 22.18(b)(2) of the *Consolidated Rules of Practice*, Complainant alleges the following findings of fact and conclusions of law:
- 9. Respondent is, and was at all times relevant to the violations alleged herein, a Delaware corporation with its principal place of business located at 1007 Market Street, Wilmington, Delaware 19898.
- 10. Section 2(s) of FIFRA, 7 U.S.C. § 136(s), defines "person" to mean any individual, partnership, association, corporation, or any organized group of persons whether incorporated or not.
- 11. Respondent is, and was at all times relevant to the violations alleged herein, a "person" within the meaning of Section 2(s) of FIFRA, 7 U.S.C. § 136(s).
- 12. Respondent is, and was at all times relevant to the violations alleged herein, a "registrant" within the meaning of Section 2(y) of FIFRA, 7 U.S.C. § 136(y), and subject to the assessment of a civil penalty under Section 14(a)(1) of FIFRA, 7 U.S.C. § 136*l*(a)(1), for any violation of FIFRA.
- 13. Pursuant to Section 2(u) of FIFRA, 7 U.S.C. § 136(u), and 40 C.F.R. § 152.3, the term "pesticide" includes "any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest," with exceptions not relevant to this matter.
- 14. On or about September 29, 2008, pursuant to Section 3 of FIFRA, 7 U.S.C. § 136a, Respondent submitted applications to EPA to register numerous pesticide products that contained the active ingredient "aminocyclopyrachlor." Included among these was the application for "DuPont Imprelis" Herbicide" ("Imprelis").
- 15. On August 31, 2010, EPA conditionally registered Imprelis as a selective broadleaf weed herbicide (EPA Reg. No. 352-793).
- 16. At all times relevant to the violations alleged herein, Respondent's product Imprelis was a "pesticide" within the meaning of Section 2(u) of FIFRA, 7 U.S.C. § 136(u), and 40 C.F.R. § 152.3.
- 17. In late May and June 2011, Respondent and EPA began receiving numerous reports claiming adverse incidents related to the use of Imprelis. On June 15, 2011, Respondent verbally informed EPA of the allegations it had received.

- 18. By letter dated July 18, 2011, EPA reminded Respondent of its reporting obligations under Section 6(a)(2) of FIFRA, 7 U.S.C. § 136d(a)(2), and required Respondent to report to EPA, *inter alia*, information about adverse incidents, studies and data pertaining to the toxicity of Imprelis' active ingredient aminocyclopyrachlor to plants and any other information that would fall within the scope of 40 C.F.R. § 159.195(a) that was in Respondent's possession and not previously submitted to EPA.
- 19. In response to EPA's July 18, 2011 letter, identified in paragraph 18 herein and enclosed with letters dated July 28, 2011 and August 31, 2011, Respondent submitted, *inter alia*, the following reports of field trial studies, which had not been previously submitted to EPA:
 - a. Preliminary Results of KJM44 and MAT28 at 15 DAT Paulinia
 - b. KJM44 Stage C Herbicide Candidate Profile
 - c. WEN-05-711, All Inclusive Report, DPX-KJM44: Forestry Site Prep Brush Control
 - d. MWH-07-416, All-Inclusive Report, KJM44: Brush Control Black Spruce/Balsam Fir
 - e. WEN-08-005, All-Inclusive Report, Matrix/KJM/MAT: Fruit Marking Studies
 - f. FMA-08-003, KJM: Crop Tolerance Study CTRC year 1
 - g. PRO9-21-1511, PRO9-22-1411
 - h. PRO9-21-1411, DPX-MAT28 Woody Ornamental Tolerance
 - i. FMA-09-076, MAT28: Citrus Tolerance Study Madera
 - j. Response of 14 Ornamental plants to Aminocyclopyrachlor (MAT28) Applied Postemergence and Post-directed at Stine-Haskell Farm
 - k. SOF-08-061, DPX-KJM44: Forestry Site Prep Brush Control Northampton, NC
 - I. All-Inclusive Report, Matrix/KJM/MAT: Fruit Marking Studies:
 - i. FMA-08-012 —apple,
 - ii. FMA-08-014—nectarine,
 - iii. FMA-08-015 peach, and
 - iv. FMA-08-016 plum
 - m. SOP-05-001, DPX-KJM44: Forestry Site Prep Brush Control
 - n. PR10-21-1411, Evaluation of DPX-MAT28 Woody Plant Tolerance: Conifers
 - o. PR10-21-1913, PR10-22-1513, Imprelis Ornamental Tolerance Hydrangea-Long Term
 - p. WEN-10-12, MAT28: Fertilizer Impregnation Forestry
 - q. WEN-10-11, MAT28: Fertilizer Impregnation Forestry
 - r. Aminocylopyrachlor Tree and Shrub Soil Application- Summary Table

- 20. On August 11, 2011, EPA, Region III issued a Stop Sale, Use, or Removal Order to Respondent regarding Imprelis, under the authority of Section 13(a) of FIFRA, 7 U.S.C. § 136k(a).
- 21. On September 8, 2011, the registration of Imprelis was amended, with the consent of Respondent, to impose additional terms and conditions, including a prohibition on the sale, distribution or marketing of Imprelis by Respondent absent further action by EPA.

Count I

- 22. The allegations of the preceding paragraphs are incorporated by reference as though fully set forth herein.
- 23. Pursuant to Section 12(a)(2)(B)(ii) of FIFRA, 7 U.S.C. § 136j(a)(2)(B)(ii), it is unlawful for any person to refuse to submit any reports required by or under, *inter alia*, Section 6 of FIFRA, 7 U.S.C. § 136d.
- 24. Pursuant to Section 12(a)(2)(N) of FIFRA, 7 U.S.C. § 136j(a)(2)(N), it is unlawful for any person who is a registrant, wholesaler, dealer, retailer or other distributor to fail to file reports required by FIFRA.
- 25. Pursuant to Section 6(a)(2) of FIFRA, 7 U.S.C. § 136d(a)(2), "[i]f at any time after the registration of a pesticide the registrant has additional factual information regarding unreasonable adverse effects on the environment of the pesticide, the registrant shall submit such information to the Administrator."
- 26. Pursuant to 40 C.F.R. § 152.50(f)(3), "[a]n applicant shall furnish with his application for registration any factual information of which he is aware regarding unreasonable adverse effects of the pesticide on man or the environment, which would be required to be reported under FIFRA sec. 6(a)(2) if the product were registered."
- 27. EPA's "Reporting Requirements for Risk/Benefit Information" set forth at 40 C.F.R. Part 159, Subpart D, provide that "[c]ompliance with this part will satisfy a registrant's obligations to submit additional information pursuant to section 6(a)(2) [of FIFRA] and will satisfy an applicant's obligation to submit additional information pursuant to § 152.50(f)(3) of this chapter." 40 C.F.R. § 159.152(c).
- 28. EPA's regulations provide further that a registrant is required to report to EPA "adverse effects" information that includes: toxicological and ecological studies; discontinued studies; human epidemiological and exposure studies; information on pesticides in or on food, feed or water; metabolites, degradates, contaminants, and impurities; toxic or adverse effect incident reports; and failure of performance information, as described in 40 C.F.R. § 159.165 through 159.188.
- 29. Pursuant to 40 C.F.R. § 159.195(a), a registrant is required to report to EPA information other than that described in 40 C.F.R. §§ 159.165 through 159.188 "if the registrant knows, or reasonably should know, that if the information should prove to be correct, EPA might regard the information alone or in conjunction with other information about the pesticide as raising concerns about the continued registration of a product or about the appropriate terms and conditions of the registration of a product."

- 30. Pursuant to 40 C.F.R. § 159.155, the information described in 40 C.F.R. §159.195 must be received by EPA not later than the 30th calendar day after the registrant first possesses or knows of the information.
- 31. Prior to June 28, 2011, Respondent possessed or knew of each of the reports described in paragraph 19 herein and knew, or reasonably should have known, that if the information in those reports should prove to be correct, EPA might regard such information alone or in conjunction with other information about Imprelis, including the claims of adverse incidents referenced in paragraph 17 herein, as raising concerns about the continued registration of Imprelis or about the appropriate terms and conditions of the registration of Imprelis.
- 32. Respondent failed to timely submit the eighteen (18) reports described in paragraph 19 herein to EPA as required by 40 C.F.R. Part 159, Subpart D.
- Respondent's acts or omissions described in paragraph 32 herein constitute eighteen (18) separate unlawful acts under Sections 12(a)(2)(B)(ii) and 12(a)(2)(N) of FIFRA, 7 U.S.C. §§ 136j(a)(2)(B)(ii) and 136j(a)(2)(N), for which penalties may be assessed pursuant to Section 14(a) of FIFRA, 7 U.S.C. § 136*I*(a).

Count II

- 34. The allegations of the preceding paragraphs are incorporated by reference as though fully set forth herein.
- 35. Pursuant to Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E), it is unlawful for any person in any state to distribute or sell to any person any pesticide which is, *inter alia*, misbranded.
- 36. Pursuant to Section 2(gg) of FIFRA, 7 U.S.C §136(gg), to "distribute or sell" means 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.
- 37. Pursuant to Section 2(q)(1)(F) of FIFRA, 7 U.S.C. § 136(q)(1)(F), a pesticide is "misbranded" if the labeling accompanying the pesticide "does not contain directions for use which are necessary for effecting the purpose for which the product is intended and if complied with, together with any requirements under section [3(d) of FIFRA], are adequate to protect health and the environment."
- 38. Pursuant to Section 2(q)(1)(G) of FIFRA, 7 U.S.C. § 136(q)(1)(G), a pesticide is "misbranded" if its "label does not contain a warning or caution statement which may be necessary and if complied with, together with any requirements imposed under section [3(d) of FIFRA], is adequate to protect health and the environment."

39. The August 31, 2010, approved label for Imprelis bears the following language:

Product Information

This product can affect susceptible broadleaf plants directly through application to the foliage, stems and trunks as well as indirectly by root uptake from treated soils. Do not apply this product directly to, or allow spray drift to come in contact with, ornamental groundcovers, foliage plants, flowers, trees, shrubs, nearby crop plants or other desirable plants; or to the soil where potentially sensitive plants will be planted during the same season. Do not exceed specified application rates for any area and particular care must be taken within the dripline of trees and shrubs or other ornamental plants.

* * *

Application for Lawns, Golf Courses and Other Turfgrass Areas

On cool season turfgrasses . . .when applications will not be made within 5 feet of ornamental groundcovers, foliage plants, flowers, trees, shrubs or other desirable plants, IMPRELISTM herbicide may be applied at 6 fluid ounces of product per acre."

* * *

Restrictions

Do not apply this product to exposed roots of trees and shrubs ... Do not exceed specified application rates for any area and particular care must be taken within the dripline of trees and shrubs or other ornamental plants.

- 40. The August 31, 2010, Imprelis label did not contain directions for use and/or warning or caution statements which were adequate to protect non-target terrestrial plants when used in accordance with the approved label.
- 41. On September 22, 2011, EPA, Region III, issued a request for information to Respondent, pursuant to Section 8(b) of FIFRA, 7 U.S.C. § 136f(b), seeking, *inter alia*, records of Respondent's distributions and/or sales of Imprelis.
- 42. On November 8, 2011, Respondent submitted its response to the information request, including records of distributions and/or sales of Imprelis.
- 43. Respondent's records identified in paragraph 42 herein indicate that from October 2010 through June 2011, Respondent distributed and/or sold the pesticide product Imprelis bearing the label described in paragraph 39 herein on 320 separate occasions to various "persons" within the meaning of Section 2(s) of FIFRA, 7 U.S.C. § 136(s).
- 44. Respondent's pesticide product Imprelis was "misbranded" within the meaning of Sections 2(q)(1)(F) and 2(q)(1)(G) of FIFRA, 7 U.S.C. §§ 136(q)(1)(F) and 136(q)(1)(G), at the time of each distribution and/or sale identified in paragraph 43 herein.
- 45. Respondent violated Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E), by distributing and/or selling the misbranded pesticide product Imprelis to other persons on 320 separate occasions from October 2010 through June 2011.
- 46. Respondent's acts or omissions as described in paragraph 45 herein constitute 320 separate unlawful acts under Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E), for which penalties may be assessed pursuant to Section 14(a) of FIFRA, 7 U.S.C. § 136*I*(a).

Civil Penalty

- 47. In settlement of the above-captioned action, Respondent consents to the assessment of a civil penalty of one million eight hundred fifty-three thousand dollars (\$1,853,000) which Respondent agrees to pay in accordance with the terms set forth below. Such civil penalty amount shall become due and payable immediately upon receipt by Respondent of a true and correct copy of the fully executed and filed CAFO. In order to avoid the assessment of interest, administrative costs, and late payment penalties in connection with such civil penalty as described in this CAFO, Respondent must pay the civil penalty no later than thirty (30) calendar days after the date on which a copy of this CAFO is mailed or hand-delivered to Respondent.
- 48. The aforesaid settlement amount is based upon Complainant's consideration of a number of factors, including, but not limited to, the statutory factors set forth in Section 14(a)(4) of FIFRA, 7 U.S.C. § 136*l*(a)(4), *i.e.*, the size of Respondent's business, the effect of the penalty on Respondent's ability to continue in business, and the gravity of the violation. These factors were applied to the particular facts and circumstances of this case with specific reference to EPA's December 2009 FIFRA Enforcement Response Policy and 40 C.F.R. Part 19.
- 49. Payment of the civil penalty amount required under the terms of paragraph 47 herein shall be made as follows:
 - a. Mailing (via first class U.S. Postal Service Mail) a certified or cashier's check, made payable to the "United States Treasury" to the following address:

U.S. Environmental Protection Agency Cincinnati Finance Center P.O. Box 979077 St. Louis, MO, 63197-9000. Contact: Craig Steffen 513-487-2091

Molly Williams 513-487-2076

b. Via Overnight Delivery of a certified or cashier's check, made payable to the "United States Treasury", sent to the following address:

U.S. Environmental Protection Agency Government Lockbox 979077 1005 Convention Plaza SL-MO-C2-GL St. Louis, MO 63101 314-418-1028

c. All payment made by check in any currency drawn on banks with no USA branches shall be addressed for delivery to:

Cincinnati Finance US EPA, MS-NWD 26 W. M.L. King Drive Cincinnati, OH 45268-0001 d. By electronic funds transfer ("EFT") to the following account:

Federal Reserve Bank of New York ABA 021030004 Account No. 68010727 SWIFT Address FRNYUS33 33 Liberty Street NY, NY 10045

(Field tag 4200 of Fedwire message should read "D 68010727 Environmental Protection Agency")

e. By automatic clearinghouse ("ACH") to the following account:

U.S. Treasury REX/Cashlink ACH Receiver ABA 051036706 Account No. 310006 Environmental Protection Agency CTX Format Transaction Code 22 – checking

Contact: John Schmid 202-874-7026

- f. Online payments can be made at <u>WWW.PAY.GOV</u> by entering "sfo 1.1" in the search field, and opening the form and completing the required fields.
- g. Additional payment guidance is available at:

http://www2.epa.gov/financial/makepayment

All payments shall also reference the above case caption and docket number (Docket No. FIFRA-03-2014-0217). At the same time that any payment is made, Respondent shall mail copies of any corresponding check, or provide written notification confirming any electronic wire transfer, automated clearinghouse or online payment to the following addressees:

Lydia A. Guy Regional Hearing Clerk (3RC00) U.S. EPA, Region III 1650 Arch Street Philadelphia, PA 19103-2029 Janet E. Sharke (3RC50) Senior Asst. Regional Counsel U.S. EPA; Region III 1650 Arch Street Philadelphia, PA 19103-2029

50. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, EPA is entitled to assess interest and late payment penalties on outstanding debts owed to the United States and also to assess a charge to cover the costs of processing and handling a delinquent claim, as more fully described below. Accordingly, Respondent's failure to make timely payment or to comply with the conditions in this CAFO shall result in the assessment of late payment charges including interest, penalties, and/or administrative costs of handling delinquent debts.

Interest on the civil penalty assessed in this CAFO will begin to accrue on the date that a copy of this fully-executed and filed CAFO is mailed or hand-delivered to Respondent. However, EPA will not seek to recover interest on any amount of the civil penalty that is paid within thirty (30)

calendar days after the date on which such interest begins to accrue. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. § 13.11(a).

The cost of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. 40 C.F.R. § 13.11(b). Pursuant to Appendix 2 of EPA's *Resources Management Directives - Cash Management*, Chapter 9, EPA will assess a \$15.00 administrative handling charge for administrative costs on unpaid penalties for the first thirty (30) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) days the penalty remains unpaid.

A penalty charge of six percent per year will be assessed monthly on any portion of the civil penalty which remains delinquent more than ninety (90) calendar days. 40 C.F.R. § 13.11(c). Should assessment of the penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. 31 C.F.R. § 901.9(d).

Certification

51. Respondent certifies that it is currently in compliance with all applicable requirements of FIFRA, 7 U.S.C. §§ 136 et seq.

Other Applicable Laws

52. Nothing in this CAFO shall relieve Respondent of its obligation to comply with all applicable federal, state, and local laws and regulations.

Reservation of Rights

53. This CAFO resolves only EPA's civil claims for penalties for the specific violations of FIFRA alleged in this Consent Agreement. EPA reserves the right to commence action against any person, including Respondent, in response to any condition which EPA determines may present an imminent and substantial endangerment to the public health, public welfare, or the environment. In addition, this settlement is subject to all limitations on the scope of resolution and to the reservation of rights set forth in Section 22.18(c) of the Consolidated Rules of Practice. Further, EPA reserves any rights and remedies available to it under FIFRA, the regulations promulgated thereunder, and any other Federal laws or regulations for which EPA has jurisdiction, to enforce the provisions of this CAFO, following its filing with the Regional Hearing Clerk.

Full and Final Satisfaction

54. This settlement shall constitute full and final satisfaction of all claims for civil penalties which Complainant may have under Section 14(a) of FIFRA, 7 U.S.C. § 1361(a), for the specific violations alleged in this CAFO. Compliance with this CAFO shall not be a defense to any action commenced at any time for any other violation of the Federal laws and regulations administered by EPA.

Parties Bound

55. This CAFO shall apply to and be binding upon Complainant, Respondent, and Respondent's officers, directors, successors and assigns. By his or her signature below, the person signing this Consent Agreement on behalf of Respondent is acknowledging that he or she is fully authorized by Respondent to execute this Consent Agreement and to legally bind Respondent to the terms and conditions of this CAFO.

Effective Date

56. The effective date of this CAFO is the date on which the Final Order, signed by the Regional Administrator of EPA, Region III, or his designee, the Regional Judicial Officer, is filed with the Regional Hearing Clerk pursuant to the Consolidated Rules of Practice.

Entire Agreement

57. This CAFO constitutes the entire agreement and understanding of the Complainant and Respondent concerning settlement of the action referenced in the caption above, and there are no representations, warranties, covenants, terms, or conditions agreed upon between Complainant and Respondent other than those expressed herein.

For Respondent:	
08/28/2014 Date	Jean Pougnier Strategic Planning and Business Development Director E. I. du Pont de Nemours and Company
For Complainant:	
9/8/3014 Date	Janet E. Sharke Jennifer M. Abramson Counsel for Complainant U.S. EPA, Region III
Accordingly, I hereby recommend that the Final Order attached hereto.	the Regional Administrator or his designee issue
9/11/2014 Date	John AfArmstead, Director
	Land and Chemicals Division

U.S. EPA, Region III

BEFORE THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION III 1650 Arch Street

Philadelphia, Pennsylvania 19103-2029

IN THE MATTER OF)
)
E. I. du Pont de Nemours and Company) DOCKET NO: FIFRA-03-2014-0217
1007 Market Street)
Wilmington, DE 19898) FINAL ORDER
•	
Respondent)
•	

FINAL ORDER

The Director, Land and Chemicals Division, U.S. Environmental Protection Agency, Region III ("Complainant"), and E. I. du Pont de Nemours and Company ("Respondent") have executed a document entitled "Consent Agreement" which I hereby ratify as a Consent Agreement in accordance with the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22. The terms of the foregoing Consent Agreement are accepted by the undersigned and incorporated herein as if set forth at length.

NOW THEREFORE, pursuant to Section 14(a) of the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), as amended, 7 U.S.C. § 136l(a), and based on representations in the Consent Agreement that the penalty agreed to in the Consent Agreement is based on a consideration of the factors set forth in Section 14(a)(4) of FIFRA, 7 U.S.C. § 136l(a)(4), Respondent is hereby ordered to pay a civil penalty of one million eight hundred fifty-three thousand dollars (\$1,853,000), as set forth in the Consent Agreement, and to comply with the terms and conditions of the Consent Agreement.

The effective date of this document is the date on which it is filed with the Regional Hearing Clerk after signature by the Regional Administrator or Regional Judicial Officer.

Date: 9-15-14

Heather Gray
Regional Judicial Officer

Regional Judicial Officer U.S. EPA, Region III