UNITED STATES ENVIRONMENTAL PROTECTION AGENCY **REGION 5**

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In the Matter of:

Hatcher Mobile Services, LLC Omaha, Nebraska,

Respondent.

Docket No. CAA-05-2024-0018

Proceeding to Assess a Civil Penalty Under Section 205(c)(1) of the Clean Air Act, 42 U.S.C. § 7524(c)(1)

Consent Agreement and Final Order

Preliminary Statement

1. This is an administrative action commenced and concluded under Section 205(c)(1) of the Clean Air Act (the CAA), 42 U.S.C. § 7524(c)(1), and Sections 22.1(a)(2), 22.13(b) and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at 40 C.F.R. Part 22.

2. Complainant is the Director of the Enforcement and Compliance Assurance Division,

U.S. Environmental Protection Agency (EPA), Region 5.

3. Respondent is Hatcher Mobile Services, LLC, a limited liability company doing business in the state of Nebraska.

Where the parties agree to settle one or more causes of action before the filing of a 4. complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).

5. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

6. Respondent consents to the assessment of the civil penalty specified in this CAFO and to the terms of this CAFO.



U.S. EPA REGION 5 HEARING CLERK

Jurisdiction and Waiver of Right to Hearing

7. Respondent admits the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations in this CAFO.

8. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations in this CAFO and its right to appeal this CAFO.

Statutory and Regulatory Background

9. Title II of the CAA was enacted to reduce air pollution from mobile sources. In enacting the CAA, Congress found, in part, that "the increasing use of motor vehicles . . . has resulted in mounting dangers to the public health and welfare." 42 U.S.C. § 7401(a)(2). Congress's purpose in enacting the CAA included "to protect and enhance the quality of the Nation's air resources so as to promote the public health and welfare and the productive capacity of its population," and "to initiate and accelerate a national research and development program to achieve the prevention and control of air pollution." 42 U.S.C. § 7401(b)(1)-(2).

10. The CAA requires EPA to prescribe and revise, by regulation, standards applicable to the emission of any air pollutant from new motor vehicles or new motor vehicle engines, which cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare. *See* 42 U.S.C. § 7521(a)(1).

11. Section 216(2) of the CAA, 42 U.S.C. § 7550(2), defines "motor vehicle" as "any selfpropelled vehicle designed for transporting persons or property on a street or highway." *See also* 40 C.F.R. § 85.1703 (further defining "motor vehicle").

12. EPA promulgated emission standards for particulate matter (PM), nitrogen oxides (NO_x), and other pollutants applicable to motor vehicle and motor vehicle engines, including diesel engine vehicles, pursuant to Section 202 of the CAA, 42 U.S.C. § 7521. *See* 40 C.F.R. Part 86.

13. Section 203(a)(1) of the CAA, 42 U.S.C. § 7522(a)(1), prohibits a manufacturer of motor vehicles or motor vehicle engines from selling a new motor vehicle or motor vehicle engine in the United States unless the motor vehicle or motor vehicle engine is covered by a certificate of conformity (COC). EPA issues COCs to motor vehicle and motor vehicle engine manufacturers under Section 206(a) of the CAA, 42 U.S.C. § 7525(a), to certify that a particular group of motor vehicles or motor vehicle engines conforms to applicable EPA requirements governing motor vehicle emissions. The COC will include, among other things, a description of the engines, their emission control systems, all auxiliary emission control devices, and the engine parameters monitored.

14. To meet the emission standards in 40 C.F.R. Part 86 and qualify for a COC, motor vehicle and motor vehicle engine manufacturers may utilize control devices and elements of design such as Exhaust Gas Recirculation (EGRs) or Clean Gas Induction systems (CGIs), Diesel Oxidation Catalysts (DOCs), Diesel Particulate Filters (DPFs), and/or Selective Catalytic Reduction systems (SCRs).

15. Modern motor vehicles and engines are equipped with electronic control modules (ECMs). ECMs continuously monitor engine and other operating parameters and control the emission control devices and elements of design, such as the engine fueling strategy, EGR/CGIs, DOCs, DPFs, and SCRs.

16. Vehicle and engine manufacturers may also employ engine fueling strategies, such as retarded fuel injection timing, as a primary element of design to limit emissions of NO_x. *See* 59 Fed.

Reg. 23264, 23418 (May 5, 1994) ("[I]njection timing has a very significant impact on NO_x emission rates, with advanced timing settings being associated with higher NO_x . . .").

17. "Element of design" means "any control system (i.e., computer software, electronic control system, emission control system, computer logic), and/or control system calibrations, and/or the results of systems interaction, and/or hardware items on a motor vehicle or motor vehicle engine." 40 C.F.R. § 86.094-2.

18. Under Section 202(m) of the CAA, 42 U.S.C. § 7521(m), EPA promulgated regulations that require diesel engine motor vehicles and engines to have numerous devices or elements of design that, working together, can detect problems with the vehicle's emission-related systems, alert drivers to these problems, and store electronically generated malfunction information. *See* 40 C.F.R. §§, 86.007-17, 86.1806-05, 86.1806-17. These devices or elements of design are referred to as "onboard diagnostic systems" or "OBD" systems.

19. Under section 203(a)(3)(A) of the CAA, 42 U.S.C. § 7522(a)(3)(A), it is unlawful for "any person to remove or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under [Title II of the CAA] prior to its sale and delivery to the ultimate purchaser, or for any person knowingly to remove or render inoperative any such device or element of design after such sale and delivery to the ultimate purchaser." This is also referred to as "tampering."

20. Under section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), it is unlawful for "any person to manufacture or sell, or offer to sell, or install, any part or component intended for use with, or as part of any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or

in a motor vehicle engine in compliance with regulations under [Title II of the CAA], and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use." These parts or components are also referred to as "defeat devices."

21. "Person" means an 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. 42 U.S.C. § 7602(e).

22. The Administrator of EPA (the Administrator) may assess a civil penalty of up to \$5,761 per motor vehicle, motor vehicle engine, or part or component, with a maximum administrative penalty of \$460,926 for violations that occurred after November 2, 2015, where penalties are assessed on or after December 27, 2023, pursuant to Section 205(a) and (c) of the CAA, 42 U.S.C. § 7524(a) and (c), and 40 C.F.R. Part 19.

23. The Administrator may assess a penalty greater than \$460,926 where the Administrator and the Attorney General of the United States jointly determine that a matter involving a larger penalty is appropriate for an administrative penalty action. 42 U.S.C. § 7524(c) and 40 C.F.R. Part 19.

24. The Administrator and the Attorney General of the United States, each through their respective delegates, have determined jointly that this matter involving a penalty greater than \$460,926 is appropriate for an administrative penalty action.

Factual Allegations

25. Respondent is a limited liability company organized under the law of the state of Nebraska with its primary place of business located at 7210 L Street, Omaha, Nebraska, 68127 and is therefore a "person," as that term is defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

26. On January 29, 2020, EPA performed an inspection (Inspection) of Respondent's truck and auto shop, located at 7887 F Street, Omaha, Nebraska (Shop).

27. During the Inspection, EPA observed disabled exhaust aftertreatment systems under a blanket in a trailer and several suspected defeat devices in Respondent's parts warehouse and storeroom.

28. On August 27, 2020, EPA issued a request for information (Request) to Respondent, pursuant to Section 208 of the CAA, 42 U.S.C. § 7542, requesting documents related to the work performed at the Shop.

29. Respondent provided a partial response to the Request on November 13, 19, and 24, 2020; December 1, 14, and 21, 2020; February 23, 2021, March 8, 2021, and June 11, 2021.

30. EPA sent a letter on July 1, 2022, requesting a full and complete response to the Request within 30 days of the letter.

31. From August 16–24, 2022, Respondent provided EPA with a supplemental response.

32. In response to the Request, Respondent provided EPA with invoices, receipts, and other records indicating that in at least 109 instances between January 1, 2018 and August 27, 2020, Respondent knowingly removed and/or rendered inoperative (tampered) the EGR/CGI, DOC, DPF, SCR, and/or the OBD systems and the emissions related elements of the ECM installed on or in a motor vehicle or motor vehicle engine that was in compliance with Title II of the CAA.

33. In response to the Request, Respondent provided EPA with invoices, receipts, and other records indicating that in at least 273 instances between January 1, 2018 and August 27, 2020, Respondent sold or offered to sell, and/or installed parts or components intended for use with, or as part of, a motor vehicle or motor vehicle engine, where a principal effect of the part or component was

to bypass, defeat, or render inoperative the EGR/CGI, DOC, DPF, SCR, and/or the OBD systems and the emissions related elements of the ECM installed on or in a motor vehicle or motor vehicle engine that was compliant with Title II of the CAA (Defeat Device).

34. For each Defeat Device specified in Paragraph 33, Respondent knew or should have known that the Defeat Device was being offered for sale or installed to bypass, defeat, or render inoperative any device or element of design installed on or in a CAA compliant motor vehicle or motor vehicle engine.

35. On November 18, 2022, EPA issued a Finding of Violation (FOV) to Respondent alleging Respondent violated Section 203(a)(3)(A) and (B) of the Clean Air Act (CAA), 42 U.S.C. §§ 7522(a)(3)(A) and (B).

Alleged Violations

36. Respondent violated Section 203(a)(3)(A) of the CAA, 42 U.S.C. § 7522(a)(3)(A), by knowingly removing and/or rendering inoperative, in at least 109 instances between January 1, 2018 and August 27, 2020, the EGR/CGI, DOC, DPF, SCR, and/or OBD systems and emissions-related elements of the ECM installed on or in a motor vehicle or motor vehicle engine in compliance with Title II of the CAA.

37. Pursuant to Section 205(a) of the CAA, 42 U.S.C. § 7524(a), each motor vehicle or motor vehicle engine tampered by Respondent, as described in Paragraph 32, is a separate violation of Section 203(a)(3)(A) of the CAA, 42 U.S.C. § 7522(a)(3)(A).

38. Respondent violated Section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), by manufacturing or selling, or offering to sell, and/or installing, in at least 273 instances between January 1, 2018 and August 27, 2020, Defeat Devices for which Respondent knew or should have known that

the Defeat Device was being offered for sale or installed to bypass, defeat, or render inoperative any device or element of design installed on or in a CAA compliant motor vehicle or motor vehicle engine.

39. Pursuant to Section 205(a) of the CAA, 42 U.S.C. § 7524(a), each Defeat Device described in Paragraph 33 that was sold or offered for sale, and/or installed is a separate violation of Section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), with respect to each motor vehicle or motor vehicle engine.

Civil Penalty

40. Based on analysis of the factors specified in Section 205(c) of the CAA, 42 U.S.C. § 7524(c), the facts of this case, EPA's Clean Air Act Title II Vehicle & Engine Civil Penalty Policy, Respondent's cooperation in resolving this matter, and the compliance steps that Respondent has taken and agrees to take, Complainant has determined that an appropriate civil penalty to settle this action is \$672,893.

41. <u>Penalty Payment.</u> Respondent agrees to:

a. Pay the civil penalty above within 30 days after the effective date of this CAFO.

b. Pay the civil penalty using any method provided in the table below.

Payment Method	Payment Instructions
Automated	US Treasury REX/Cashlink ACH Receiver
Clearinghouse (ACH)	ABA: 051036706
payments made	Account Number: 310006, Environmental Protection Agency
through the US Treasury	CTX Format Transaction Code 22 – checking
Wire transfers made through Fedwire	In the comment area of the electronic funds transfer, state Respondent's name and the CAFO docket number. Federal Reserve Bank of New York ABA: 021030004 Account Number: 68010727 SWIFT address: FRNYUS33 33 Liberty Street New York, NY 10045 Beneficiary: US Environmental Protection Agency In the comment area of the electronic funds transfer, state
	Respondent's name and the docket number of this CAFO.
Payments made through <u>Pay.gov</u> Payers can use their credit or debit cards (Visa, MasterCard, American Express & Discover) as well as checking account information to make payments.	 Go to <u>Pay.gov</u> and enter "SFO 1.1" in the form search box on the top left side of the screen. Open the form and follow the on-screen instructions. Select your type of payment from the "Type of Payment" drop down menu. Based on your selection, the corresponding line will open and no longer be shaded gray. Enter the CAFO docket number into the field
Cashier's or certified	For standard delivery :
check payable to	U.S. Environmental Protection Agency
"Treasurer, United States of America."	P.O. Box 979078 St. Louis, Missouri 63197-9000
Please notate the CAFO docket number on the check	For signed receipt confirmation (FedEx, UPS, Certified Mail, etc): U.S. Environmental Protection Agency Government Lockbox 979078 3180 Rider Trail S. Earth City, Missouri 63045

42. Within 24 hours of the payment of the civil penalty, Respondent must send a notice of

payment that states Respondent's name and the docket number of this CAFO to EPA at the following

addresses:

Air Enforcement and Compliance Assurance Branch U.S. Environmental Protection Agency, Region 5 <u>R5airenforcement@epa.gov</u>

Elyse Voyen Office of Regional Counsel U.S. Environmental Protection Agency, Region 5 voyen.elyse@epa.gov

Regional Hearing Clerk (E-19J) U.S. Environmental Protection Agency, Region 5 <u>r5hearingclerk@epa.gov</u>

43. This civil penalty is not deductible for federal tax purposes.

44. If Respondent does not pay timely the civil penalty, EPA may request the Attorney General of the United States to bring an action to collect any unpaid portion of the penalty with interest, nonpayment penalties, and the United States enforcement expenses for the collection action under Section 205(c)(6)(B) of the CAA, 42 U.S. Code § 7524(c)(6)(B). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

45. Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any overdue amount from the date payment was due at a rate established by the Secretary of the Treasury pursuant to 26 U.S.C. § 6621(a)(2). Respondent must pay the United States enforcement expenses, including but not limited to attorneys' fees and costs incurred by the United States for collection proceedings. In addition, Respondent must pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue. This nonpayment penalty will be 10

percent of the aggregate amount of the outstanding penalties and nonpayment penalties accrued from the beginning of the quarter. 42 U.S. Code § 7524(c)(6)(B).

46. 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). Failure to comply with providing 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. In order to provide EPA with sufficient information to enable it to fulfill these obligations, EPA herein requires, and Respondent herein agrees, that:

- Respondent shall complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification"), which is available at <u>https://www.irs.gov/pub/irs-</u> <u>pdf/fw9.pdf</u>;
- Respondent shall therein 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 <u>wise.milton@epa.gov</u>, within 30 days after the Final Order ratifying this Agreement is filed, 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 Center with Respondent's TIN, via email, within five (5) days of Respondent's issuance and receipt of a TIN issued by the IRS.

Other Conditions

47. By signing this CAFO, Respondent agrees to the following: (i) Respondent will not remove or render inoperative any emissions-related device or element of design installed on or in a motor vehicle or motor vehicle engine in violation of Section 203(a)(3)(A) of the CAA, 42 U.S.C. § 7522(a)(3)(A); (ii) Respondent will not manufacture, sell, offer for sale, or install any part or component in violation of Section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B); and (iii) Respondent certifies that it has reviewed EPA's November 23, 2020 "Tampering Policy: The EPA Enforcement Policy on Vehicles and Engine Tampering and Aftermarket Defeat Devices under the Clean Air Act."

48. By signing this CAFO, Respondent understands that the violations addressed in this CAFO may be considered as a "History of Noncompliance" for any future violations of Title II of the CAA, 42 U.S.C. § 7522(a)(3)(A) and (B), by Respondent or any other business entity owned or operated by Jason Hatcher and any other officer of Respondent, as addressed in the January 18, 2021, Clean Air Act Title II Vehicle & Engine Civil Penalty Policy.

49. By signing this CAFO, Respondent certifies that it is complying fully with Sections 203(a)(3)(A) and (B) of the CAA, 42 U.S.C. § 7522(a)(3)(A) and (B).

50. By the date of its signature on this CAFO, Respondent shall no longer provide any technical support, maintenance, or repair for Defeat Devices for use with motor vehicles or motor vehicle engines.

51. By signing this CAFO, Respondent certifies that there are no Defeat Devices on any vehicles and engines owned or operated by or otherwise under the control of Respondent and/or any entity under the same ownership or control as Respondent and that the ECM of each such vehicle and engine has been returned to factory settings.

52. By signing this CAFO, Respondent certifies that, Respondent has permanently destroyed all Defeat Devices in its inventory, possession, and/or under Respondent's control (this includes, but not limited to, straight pipes, EGR delete kits, EGR block plates, tuners, tuning devices, laptops with delete software/programs, etc.).

53. By signing this CAFO, Respondent certifies that it has removed from its catalogs, webpages and any social media platform(s)¹ all advertisements, photos, videos, and information that relate to performing tampering and/or selling, offering to sell, and/or installing Defeat Devices (Tampering and/or Defeat Device Content), excepting advertisements, photos, videos, or information relating to how to comply with the CAA.

54. Within 14 calendar days from the Respondent's signature on this CAFO, Respondent shall post a publicly-accessible announcement about Respondent's settlement with EPA on <u>www.hatchermobileservices.com</u>, <u>www.facebook.com/hatchermobile</u>, and other webpages and social media homepage(s), including, but not limited to, all Facebook, Twitter, Pinterest, and Instagram accounts associated with Respondent and/or that promote Respondent's business. The announcement

¹ Note: this includes but is not limited to: <u>www.hatchermobileservices.com</u> and <u>www.facebook.com/hatchermobile</u>.

shall remain posted for at least 60 calendar days from the date the announcement is posted. Respondent shall use the text contained in Appendix A (Announcement) in at least 12-point font, or another notice reviewed and approved by EPA, to provide such announcement.

55. Within 30 calendar days from the effective date of this CAFO, Respondent shall notify, in writing, all customers who purchased any Defeat Device of Respondent's settlement with EPA. Respondent shall use the letter contained in Appendix B (Letter), or another letter reviewed and approved by EPA to provide such notice. The Letters shall be transmitted by certified U.S. Mail, return receipt requested.

56. Within 30 calendar days of the Effective Date of this CAFO, Respondent shall provide EPA with certification and proof that Respondent has completed the actions required by Paragraphs 54 and 55.

57. In each submittal required by this CAFO, Respondent must certify that the submittal is true and complete by including the following statement signed by one its managing members and/or officers:

I certify that I am familiar with the information in this document and that, based on my inquiry of those individuals responsible for obtaining the information, it is true and complete to the best of my knowledge. I know that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations.

58. Failure to comply with Paragraph 47 of this CAFO may constitute a violation of Section 203(a)(3)(A) and/or (B) of the CAA, 42 U.S.C. § 7522(a)(3)(A) and/or (B), and Respondent could be subject to penalties of up to the statutory maximum civil penalties in 40 C.F.R. § 19.4.

59. Respondent certifies that any information or representation it has supplied or made to EPA concerning this matter was, at the time of submission true, accurate, and complete and that there has been no material change regarding the truthfulness, accuracy or completeness of such information or representation. EPA shall have the right to institute further actions to recover appropriate relief if EPA obtains evidence that any information provided and/or representations made by Respondent to the EPA regarding matters relevant to this CAFO are false or, in any material respect, inaccurate. This right shall be in addition to all other rights and causes of action that EPA may have, civil or criminal, under law or equity in such event. Respondent is aware that the submission of false or misleading information to the United States government may subject a person to separate civil and/or criminal liability.

60. For purposes of the identification requirement in Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), and 26 C.F.R. § 162-21(b)(2), performance of the Other Conditions Section above (paragraphs 47-59); and the \$672,893 paid pursuant to the Civil Penalty Section (paragraphs 40-46) are restitution, remediation, or required to come into compliance with the law.

General Provisions

61. The parties consent to service of this CAFO by e-mail at the following valid e-mail addresses: voyen.elyse@epa.gov (for Complainant), and cmartin@ldmlaw.com (for Respondent). Respondent understands that the CAFO will become publicly available upon filing.

62. This CAFO resolves only Respondent's liability for federal civil penalties for the violations alleged in this CAFO.

63. The settlement described in Paragraph 62, above, is conditioned upon the accuracy of Respondent's representations to EPA.

64. The CAFO does not affect the rights of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law.

65. This CAFO does not affect Respondent's responsibility to comply with the CAA and other applicable federal, state and local laws. Except as provided in Paragraph 62, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

66. This CAFO constitutes an "enforcement response" as that term is used in EPA's January 18, 2021, Clean Air Act Title II Vehicle & Engine Civil Penalty Policy to determine Respondent's "full compliance history" under Section 205(b) of the CAA, 42 U.S.C. § 7524(b).

67. The terms of this CAFO bind Respondent, its successors and assigns.

68. Each person signing this consent agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

69. Each party agrees to bear its own costs and attorneys' fees in this action.

70. This CAFO constitutes the entire agreement between the parties.

3-7-24

Date

Jason Hatcher, Managing Member Hatcher Mobile Services, LLC

Michael D. Harris Division Director Enforcement and Compliance Assurance Division U.S. Environmental Protection Agency, Region 5 **Consent Agreement and Final Order** In the Matter of: Hatcher Mobile Services, LLC Docket No. CAA-05-2024-0018

Final Order

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective

immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding

pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

Ann L. Coyle Regional Judicial Officer U.S. Environmental Protection Agency Region 5

Appendix A: Announcement

On ______ Date, Hatcher Mobile Services, LLC ("Hatcher") entered into a settlement with the United States Environmental Protection Agency (EPA) to resolve alleged violations of Section 203(a)(3)(A) and 203(a)(3)(B) of the Clean Air Act, related to the removal and/or rendering inoperative of emission control devices and elements of design and the manufacturing selling, offering to sell, and/or installing defeat devices for use on diesel engines.

By signing a consent agreement with EPA, Hatcher has certified that it will comply with Section 203(a)(3) of the CAA, which makes it unlawful for: "(A) any person to remove or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under [Title II of the CAA] prior to its sale and delivery to the ultimate purchasers, or for any person knowingly to remove or render inoperative any such device or element of design after such sale and delivery to the ultimate purchaser; or (B) for any person to manufacture or sell, or offer to sell, or install, any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle engine in compliance with regulations under [Title II of the CAA], and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use."

Hatcher will pay a penalty of \$672,893 and comply with the consent agreement to ensure ongoing compliance with the Clean Air Act.

If you have any questions regarding this announcement, please ask for Jason Hatcher.

Thank you,

Jason Hatcher, Managing Member Hatcher Movile Services, LLC

Appendix B: Letter

To Whom It May Concern:

On _____ Date, Hatcher Mobile Services, LLC ("Hatcher") entered into a settlement with the United States Environmental Protection Agency (EPA) to resolve alleged violations of Section 203(a)(3)(A) and 203(a)(3)(B) of the Clean Air Act, related to the removal and/or rendering inoperative of emission control devices and elements of design and the manufacturing selling, offering to sell, and/or installing defeat devices for use on diesel engines.

By signing a consent agreement with EPA, Hatcher has certified that they will comply with Section 203(a)(3) of the CAA, which makes it unlawful for: "(A) any person to remove or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under [Title II of the CAA] prior to its sale and delivery to the ultimate purchasers, or for any person knowingly to remove or render inoperative any such device or element of design after such sale and delivery to the ultimate purchaser; or (B) for any person to manufacture or sell, or offer to sell, or install, any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle engine in compliance with regulations under [Title II of the CAA], and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use."

Hatcher will pay a penalty of \$672,893 and comply with the consent agreement to ensure ongoing compliance with the Clean Air Act.

If you have any questions regarding this announcement, please ask for Jason Hatcher.

Thank you,

Jason Hatcher, Managing Member Hatcher Movile Services, LLC