



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590
March 31, 2022

VIA E-MAIL
DELIVERY RECEIPT REQUESTED

Derek Rose, Owner
DNR Customs LLC
9568 Marine City Hwy,
Casco, Michigan 48064

Email: kyle@beall.law

Dear Derek Rose:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO) which resolves DNR Customs, LLC, docket no. CAA-05-2022-0010. As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on March 31, 2022.

Pursuant to paragraph 30 of the CAFO, DNR Customs, LLC, must pay the civil penalty within 30 days of the filing date. Your electronic funds transfer must display the case name and case docket number.

Please direct any questions regarding this case to Josh Zaharoff, Attorney at Law, Zaharoff.Josh@epa.gov or by phone at 312-886-4460.

Sincerely,

Brian Dickens
Digitally signed by Brian
Dickens
Date: 2022.03.21 12:04:46
-05'00'

Brian Dickens, Supervisor
Air Enforcement and Compliance Assurance Section (MN/OH)

Enclosure

cc: Ann Coyle, Regional Judicial Officer/via electronic mail
Coyle.ann@epa.gov

Regional Hearing Clerk/via electronic mail
R5hearingclerk@epa.gov

Josh Zaharoff, via electronic mail
Zaharoff.Josh@epa.gov

Jenine Camilleri via electronic mail
CamilleriJ@michigan.gov

Joyce Zhu via electronic mail
Zhuj@michigan.gov

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

In the Matter of:)	Docket No. CAA-05-2022-0010
)	
DNR Customs, LLC)	Proceeding to Assess a Civil Penalty
Casco, Michigan,)	Under Section 113(d) of the Clean Air Act,
)	42 U.S.C. § 7413(d)
Respondent.)	
<hr/>)	

Consent Agreement and Final Order

Preliminary Statement

1. This is an administrative action commenced and concluded under Section 113(d) of the Clean Air Act (the CAA), 42 U.S.C. § 7413(d), 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 DNR Customs, LLC, a limited liability company doing business in Michigan.

4. Where the parties agree to settle one or more causes of action before the filing of a 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.

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. Section 203(a)(1) of the CAA, 42 U.S.C. § 7522(a)(1), prohibits a vehicle manufacturer from selling a new motor vehicle in the United States unless the vehicle is covered by a certificate of conformity (COC).

10. “Motor vehicle” means any self-propelled vehicle designed for transporting persons or property on a street or highway. See Section 216(2) of the CAA, 42 U.S.C. § 7550(2); 40 C.F.R. § 85.1703.

11. “Motor vehicle engine” means an engine that is designed to power a motor vehicle. See Section 216(3) of the CAA, 42 U.S.C. § 7550(3).

12. EPA issues COCs to motor vehicle and motor vehicle engine manufacturers to certify that a particular group of motor vehicles or motor vehicle engines conforms to applicable EPA requirements governing motor vehicle emissions. See Section 206(a) of the CAA, 42 U.S.C. § 7525(a).

13. EPA promulgated emissions standards for particulate matter, nitrogen oxides, hydrocarbons, and other pollutants applicable to motor vehicles and motor vehicle engines, including standards for heavy-duty diesel engines (HDDE). See Section 202 of the CAA, 42 U.S.C. § 7521; 40 C.F.R. Part 86.

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

15. Modern HDDE motor vehicles 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/CGI, DOC, DPF, and SCR.

16. Under Section 202(m) of the CAA, 42 U.S.C. § 7521(m), EPA promulgated regulations for motor vehicles manufactured after 2007 that require HDDE motor vehicles 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. §§ 86.005-17, 86.007-17, 86.1806-05. These devices or elements of design are referred to as "onboard diagnostic systems" or "OBD" systems.

17. 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." See Section 203(a)(3)(A) of the CAA, 42 U.S.C. § 7522(a)(3)(A), 40 C.F.R. § 1068.101(b)(1). This is also referred to as "tampering."

18. 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.” See Section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B), 40 C.F.R. § 1068.101(b)(2). These parts or components are also referred to as “defeat devices.”

19. The Administrator of EPA (the Administrator) may assess a civil penalty of up to \$5,179 per motor vehicle, motor vehicle engine, part or component for violations that occurred after November 2, 2015, where penalties are assessed on or after January 12, 2022, under Section 205(a) of the CAA, 42 U.S.C. § 7524(a) and 40 C.F.R. Part 19.

EPA’s Factual Allegations and Alleged Violations

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

21. On December 14, 2020, EPA issued a written Information Request (Request) to Respondent pursuant to Section 208 of the CAA, 42 U.S.C. § 7542. The Request sought information related to the Respondent’s purchase, sale, offer for sale, distribution, and/or installation, of certain motor vehicle and engine parts or components.

22. On March 5, 2021, Respondent submitted a response to the Request by providing invoices and documentation related to the Respondent’s purchase, sale, offer for sale and/or installation of products and services.

23. In its response to the Request, Respondent stated that between May 2018 and December 2020, it sold and/or installed parts or components, including EGR block plates, tunes, tuners, delete pipes, race pipes, and EGR/Cooler deletes. These parts or components were manufactured by EZLYNK, EFILIVE, H&S Performance, No Limit Fabrication, Fleece Performance, Flo~Pro, MBRP. These products were supplied by the following vendors: Thunder Diesel Performance, No Limit Fabrication, and Hardway Solutions LLC d.b.a Hardway Performance.

24. On June 9, 2021, EPA issued a Finding of Violation (FOV) to Respondent alleging violations of Sections 203(a)(3)(A) and (B) of the CAA, 42 U.S.C. § 7522(a)(3)(A) and (B), related to Respondent's sale and/or installation of EGR block plates, tunes, tuners, delete pipes, race pipes, and EGR/Cooler deletes.

25. On December 7, 2020, Respondent confirmed that it no longer manufactures, sells, and/or installs defeat devices.

26. The EGR block plates, tunes, tuners, delete pipes, race pipes, and EGR/Cooler deletes sold by and/or installed by Respondent are parts or components that were intended for motor vehicles and were designed for use with motor vehicle HDDEs such as those manufactured by Cummins, Detroit, Ford, Paccar, Maxxforce, and other heavy-duty diesel engines, for which each manufacturer obtained COCs establishing compliance with CAA emissions standards.

27. Respondent knowingly removed and/or rendered inoperative devices or elements of design installed in or on motor vehicles or motor vehicle engines in compliance with the CAA by installing or modifying software on ECMs to allow the motor vehicles to operate without EGR/CGI, DOC, DPF, and/or SCR systems, and by installing parts or components that removed

and/or bypassed EGR/CGI, DPF, and/or SCR systems in violation of Section 203(a)(3)(A) of the CAA, 42 U.S.C. § 7522(a)(3)(A).

28. Respondent sold, offered to sell, and installed parts or components, including EGR block plate kits, exhaust kits, and ECM tunes, 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 devices and elements of design that control emissions, such as the engine fueling strategy, EGR/CGI, DOC, DPF, SCR, OBD systems, installed on or in a motor vehicle or motor vehicle engine in compliance with the CAA. Respondent knew or should have known that such part or component was being offered for sale or installed for such use or put to such use in violation of Section 203(a)(3)(B) of the CAA, 42 U.S.C. § 7522(a)(3)(B).

Civil Penalty

29. Based on analysis of the factors specified in Section 205(c) of the CAA, 42 U.S.C. § 7524(c), EPA's Clean Air Act Title II Vehicle & Engine Civil Penalty Policy, the facts of this case, Respondent's prompt return to compliance, and Respondent's ability to pay, Complainant has determined that an appropriate civil penalty to settle this action is \$6,431.00.

30. Within 30 days after the Effective Date of this CAFO, Respondent must pay a \$6,431.00 civil penalty by an on-line payment. To pay on-line, go to www.pay.gov. Use the Search Public Forms option on the tool bar and enter SFO 1.1 in the search field. Open the form and complete the required fields.

31. 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 when it pays the penalty:

Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
r5airenforcement@epa.gov

Josh Zaharoff
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
Zaharoff.Josh@epa.gov

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

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

33. 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 113(d)(5) of the CAA, 42 U.S.C. § 7413(d)(5). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

34. 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.C. § 7413(d)(5).

Other Conditions

35. By signing this Consent Agreement, 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 acknowledges receipt of 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.](#)"

36. By signing this Consent Agreement, 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 Derek Rose, as addressed in the January 18, 2021, Clean Air Act Title II Vehicle & Engine Civil Penalty Policy.

37. Within 30 calendar days after the date of its signature on this CAFO, Respondent will have removed all defeat devices from all vehicles and engines owned or operated by Respondent and returned the ECM of each vehicle and engine to factory settings.

38. By the date of its signature on this CAFO, Respondent will have permanently destroyed or returned to the manufacturer all defeat devices in its inventory and/or possession (including, but not limited to, any remote tuning devices or EGR block plates).

39. Within 30 calendar days after the date of its signature on this CAFO, Respondent shall send to EPA written certification with proof that Respondent has completed the actions required in Paragraphs 37 and 38, above. The certification and proof shall be sent to r5airenforcement@epa.gov and zaharoff.josh@epa.gov.

40. By its signature on this CAFO, Respondent certifies that it has removed from its webpages and any social media platform(s) all advertisements, photos, videos, and information that relate to performing tampering and/or selling, offering to sell, and/or installing defeat

devices except advertisements, photos, videos, or information relating to how to comply with the CAA.

41. Within 14 calendar days from date of the Respondent's signature on this CAFO, the Respondent shall post a publicly-accessible announcement about Respondent's settlement with EPA on Respondent's current website homepage(s), Respondent's social media homepage(s), including, but not limited to, all Facebook, Twitter, Pinterest, and Instagram accounts associated with Respondent. The announcement 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. Respondent shall provide EPA with proof of posting the announcement within 30 calendar days from the Effective Date of this CAFO.

42. Within 30 calendar days from the date of Respondent's signature on this CAFO, Respondent shall notify, in writing, all customers whose addresses are currently available to Respondent based on records previously provided to EPA 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 First-Class U.S. Mail or via electronic mail (i.e., email). Respondent shall notify EPA that all letters have been sent to customers within 30 calendar days from the Effective Date of this CAFO.

43. Failure to comply with Paragraph 35 of this CAFO may constitute a violation of Sections 203(a)(3)(A) and (B) of the CAA, 42 U.S.C. § 7522(a)(3)(A) and (B), and Respondent could be subject to penalties of up to the statutory civil penalties in 40 C.F.R. § 19.4.

44. 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, including information about Respondent's ability to pay a penalty, 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.

45. 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 35 – 43) is restitution, remediation, or required to come into compliance with the law.

General Provisions

46. The parties consent to service of this CAFO by e-mail at the following valid e-mail addresses: zaharoff.josh@epa.gov (for Complainant), and kyle@beall.law (for Respondent).

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

48. 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.

49. 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 47, above,

compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

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

51. This CAFO constitutes an “enforcement response” as that term is used in EPA’s Clean Air Act Stationary Civil Penalty Policy to determine Respondent’s “full compliance history” under Section 113(e) of the CAA, 42 U.S.C. § 7413(e).

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

53. 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.

54. Each party agrees to bear its own costs and attorney’s fees in this action.

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

DNR Customs, LLC, Respondent

3-21-22

Date



Derek Rose, on behalf of
DNR Customs, LLC

United States Environmental Protection Agency, Complainant

**MICHAEL
HARRIS**

Digitally signed by
MICHAEL HARRIS
Date: 2022.03.23
09:35:45 -05'00'

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: DNR Customs, LLC
Docket No. CAA-05-2022-0010

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.

Date

**ANN
COYLE**

Digitally signed by
ANN COYLE
Date: 2022.03.25
11:57:35 -05'00'

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

Appendix A: Announcement

On **X** Date, DNR Customs 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 heavy-duty diesel engines.

By signing a consent agreement with EPA, DNR Customs 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.”

DNR Customs will pay a civil penalty and comply with the consent agreement to ensure ongoing compliance with the Clean Air Act. As stated in the consent agreement, DNR Customs neither admits nor denies the factual allegations in the settlement.

If you have any questions regarding this announcement, please ask for Derek Rose.

Thank you,
Derek Rose

**Appendix B:
Letter**

To Whom It May Concern:

On **X** Date, DNR Customs LLC (DNR Customs) entered into a settlement with the United States Environmental Protection Agency (EPA) to resolve alleged violations of Section 203(a)(30(A) and 203(a)(3)(B) of the Clean Air Act, related to the removal and/or rendering inoperative of emission control devices or elements of design and selling, offering to sell, and/or installing defeat devices for use with heavy-duty diesel engines.

By signing a consent agreement with EPA, DNR Customs 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.”

DNR Customs will pay a civil penalty and comply with the consent agreement to ensure ongoing compliance with the Clean Air Act. As stated in the consent agreement, DNR Customs neither admits nor denies the factual allegations in the settlement.

If you have any questions regarding this letter, please ask for Derek Rose.

Thank you,
Derek Rose

Consent Agreement and Final Order
In the matter of: DNR Customs, LLC
Docket Number: **CAA-05-2022-0010**

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of the foregoing **Consent Agreement and Final Order**, docket number **CAA-05-2022-0010**, which was filed on **March 31, 2022**, in the following manner to the following addressees:

*Copy by E-mail to Respondent: Kyle Beall
kyle@beall.law

Copy by E-mail to Attorney for Complainant: Josh Zaharoff
Zaharoff.Josh@epa.gov

Copy by E-mail to Regional Judicial Officer: Ann Coyle
coyle.ann@epa.gov

Isidra Martinez
Acting Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 5