



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

MAY 06 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ronald T. Shaw
Florida Transformer, Incorporated
4509 State Highway
Defuniak Springs, Florida 32435

Re: Consent Agreement and Final Order
Docket No. TSCA-04-2015-2902(b)
Florida Transformer, Incorporated

Dear Mr. Shaw:

Enclosed please find a copy of the fully executed Consent Agreement and Final Order (CA/FO) as filed with the Regional Hearing Clerk (RHC) in the above referenced matter. The CA/FO became effective upon its filing with the RHC and payment of the civil penalty is to be paid within thirty (30) calendar days of the effective date of the CA/FO.

Enclosed is a copy of a document entitled "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts Florida Transformer, Incorporated on notice of its potential duty to disclose to the Securities and Exchange Commission any environmental enforcement actions taken by the U.S. Environmental Protection Agency, Region 4. Where used in the document, 'SEC' refers to the Securities and Exchange Commission.

If you have any questions, please contact Javier García, of my staff at (404) 562-8616 or garcia.javier@epa.gov.

Sincerely,

A handwritten signature in blue ink that reads "CÉSAR A. ZAPATA".

César A. Zapata
Chief, Enforcement and Compliance Branch
Resource Conservation and Restoration Division

Enclosures

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
ATLANTA, GEORGIA

In the Matter of:)
)
Florida Transformer, Incorporated)
4509 State Highway 83)
Defuniak Springs, Florida 32435)
)
Respondent.)
_____)

Docket No. TSCA-04-2015-2902(b)

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EPA REGION IV
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CLERK

CONSENT AGREEMENT AND FINAL ORDER

I. Nature of the Action

1. This is a civil penalty proceeding pursuant to Section 16(a) of the Toxic Substances Control Act (TSCA), 15 U.S.C. § 2615(a), and pursuant to the Consolidated Rules of Practice Governing Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. Part 22. Complainant is the Director of the Resource Conservation and Restoration (RCR) Division, United States Environmental Protection Agency, Region 4 (EPA). Respondent is Florida Transformer Incorporated.
2. The authority to take action under Section 16(a) of TSCA, 15 U.S.C. § 2615(a), is vested in the Administrator of the EPA. The Administrator of the EPA has delegated this authority under TSCA to the EPA Region 4 Regional Administrator by EPA Delegation 12-2-A, dated May 11, 1994. The Region 4 Regional Administrator has delegated this authority to the Director of the RCR Division by EPA Region 4 Delegation 12-2-A, dated January 14, 2009. Pursuant to that Delegation, the Director of the RCR Division has the authority to commence an enforcement Action as the Complainant in this matter and has the authority to sign Consent Agreements memorializing settlements between the EPA and Respondent.

3. Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 C.F.R. § 22.18 and desire to resolve this matter and settle the allegations described herein without a formal hearing. Therefore, without the taking of any evidence or testimony, the making of any argument, or the adjudication of any issue in this matter, and in accordance with 40 C.F.R. § 22.13(b), this Consent Agreement and Final Order (CAFO) will simultaneously commence and conclude this matter.

II. Preliminary Statements

4. Pursuant to Section 6(e) of TSCA, 15 U.S.C. § 2605, the Administrator of EPA promulgated regulations in 40 C.F.R. Part 761, pertaining to Polychlorinated Biphenyls (PCBs). Failure to comply with any such rule constitutes a violation of Section 15 of TSCA, 15 U.S.C. § 2614. Any person who violates a provision of Section 15 of TSCA may be assessed a penalty of up to \$37,500 for each such violation occurring after January 12, 2009, in accordance with Section 16(a) of TSCA and 40 C.F.R. Part 19, as amended. Each day a violation continues may constitute a separate violation.
5. On November 14, 2002, pursuant to 40 C.F.R. § 761.65(d), the EPA issued to Respondent an “Approval to Commercially Store Polychlorinated Biphenyl (PCB) Waste” (PCB Approval Letter).
6. Pursuant to the PCB Approval Letter, Respondent is required to comply with all applicable PCB regulations at 40 C.F.R. Part 761, and with the conditions established in the PCB Approval Letter.
7. Pursuant to 40 C.F.R. § 22.5(c)(4) the following individual is authorized to receive service for EPA in this proceeding:

Javier García
Enforcement and Compliance Branch
Resource Conservation and Restoration Division
U.S. EPA Region 4
61 Forsyth Street SW
Atlanta, Georgia 30303-8960
(404) 562-8616

III. Specific Allegations

8. Respondent is a TSCA-approved facility under 40 C.F.R. § 761.65 that repairs, services and decommissions oil-filled electrical distribution equipment. Respondent is a user of PCB Items operating in the State of Florida and is a "person" as defined in 40 C.F.R. § 761.3.
9. On December 12, 2013, an inspection was conducted by a representative of the EPA at the Respondent's facility located at 4509 State Highway 83, Defuniak Springs, Florida, to determine compliance with the PCB regulations. At the time of inspection, the facility was in operation.
10. Pursuant to 40 C.F.R. § 761.65(c)(3), all approved PCB storage areas, as well as any temporary PCB storage area or ancillary pallet storage area shall be marked as required in 40 C.F.R. § 761.40(a)(10).
11. At the time of inspection, Respondent was storing PCB Items in the In-Processing Area and in the Scrap Metal Recovery Oven Building.
12. At the time of the inspection, no PCB markings were observed on the outside wall, which separates the In-Processing Area from the offloading/loading docks. In addition, no PCB markings were observed outside the Scrap Metal Recovery Oven Building. Therefore, Respondent violated the marking requirements in 40 C.F.R. § 761.40(a)(10).
13. Condition III.G of Respondent's PCB Approval Letter requires Respondent to maintain adequate aisle space in the storage area to allow the unobstructed movement of personnel, fire protection equipment, spill control equipment and decontamination equipment.
14. At the time of the inspection, Respondent was storing PCB Items in the PCB ancillary storage area without adequate aisle space to allow the unobstructed movement of personnel, fire protection equipment, spill control equipment and decontamination equipment. Therefore, Respondent violated Condition III.G of the PCB Approval Letter.
15. Pursuant to Condition III.1 of Respondent's PCB Approval Letter, PCB containers shall always be closed during storage, except when adding or removing their contents.

16. At the time of the inspection, in the Scrap Metal Recovery Oven (SMRO) Area, Respondent was storing PCB contaminated oil in two open 55-gallon drums. In addition, two 55-gallon drums were observed with an open funnel placed in the bunghole. No material was being added to or removed from the containers when the inspectors observed the containers. Therefore, Respondent violated Permit Condition III.1 of the PCB Approval Letter.
17. Pursuant to 40 C.F.R § 761.65(c)(8), all PCB items shall be dated with the date they were removed from service.
18. At the time of the inspection, Respondent was storing four 55-gallon drums containing PCB-contaminated transformer oil in the SMRO area. The drums were not labeled with the Removed from Service dates. Therefore, Respondent violated 40 C.F.R § 761.65(c)(8).

IV. Consent Agreement

19. For the purposes of this CAFO, Respondent admits the jurisdictional allegations set forth above and neither admits nor denies the factual allegations.
20. Respondent waives its right to a hearing on the allegations contained herein and its right to appeal the proposed final order accompanying the consent agreement.
21. For the purposes of achieving a resolution by settlement, Respondent consents to the assessment of the penalty proposed by EPA and agrees to pay the civil penalty as set forth in this CAFO.
22. Respondent certifies that as of the date of its execution of this CAFO, it is in compliance with all relevant requirements of TSCA.
23. This CAFO constitutes a settlement by EPA of all claims for civil penalties pursuant to Section 16(a) of TSCA, for the specific violations alleged herein. Except as specifically provided in this CAFO, EPA reserves all other civil and criminal enforcement authorities, including the authority to address imminent hazards. Compliance with this CAFO shall not be a defense to any other actions

subsequently commenced pursuant to Federal laws and regulations administered by EPA, and it is Respondent's responsibility to comply with said laws and regulations.

24. Complainant and Respondent agree to settle this matter by their execution of this CAFO. The parties agree that the settlement of this matter is in the public interest and that this CAFO is consistent with the applicable requirements of TSCA.

V. Final Order

25. Respondent is assessed a civil penalty of TWELVE THOUSAND SEVEN HUNDRED SIXTY DOLLARS (\$12,760), which shall be paid within 30 days from the effective date of this CAFO.
26. Respondent shall remit the civil penalty by either (1) wire transfer, in accordance with instructions provided below, or (2) by a cashier's or certified check made payable to the "Treasurer, United States of America." If payment is made by check through the U.S. Postal Service, Respondent shall send the check to the following address:

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

The check shall reference on its face the name of the Respondent and Docket Number of this CAFO.

For payment submittal by any overnight delivery service (Fed Ex, UPS, DHL, etc.), please use the following address:

U. S. Environmental Protection Agency
Government Lockbox 979077
1005 Convention Plaza
Mail Station SL-MO-C2-GL
St. Louis, MO 63101
(314) 425-1818

For payment by wire transfer, in lieu of a cashier's or certified check, if desired, should be directed to the Federal Reserve Bank of New York:

Federal Reserve Bank of New York
ABA = 021030004
Account = 68010727
SWIFT address = FRNYUS33
33 Liberty Street
New York NY 10045

**Field Tag 4200 of the Fedwire message should read
“D 68010727 Environmental Protection Agency.”**

27. At the time of payment, Respondent shall send a written statement that the payment has been made in accordance with this CAFO (along with a copy of the check if payment is made by check, or indicating that payment was by wire transfer) to each of the following persons at the following addresses:

Regional Hearing Clerk
U.S. EPA Region 4
61 Forsyth Street SW
Atlanta, Georgia 30303-8960;

Javier García
Enforcement and Compliance Branch
Resource Conservation and Restoration Division
61 Forsyth Street SW
Atlanta, Georgia 30303-8960

and

Saundi Wilson
U.S. EPA Region 4
61 Forsyth Street
Atlanta, Georgia 30303-8960.

28. For the purposes of state and federal income taxation, Respondent shall not be entitled, and agrees not to attempt, to claim a deduction for any civil penalty payment made pursuant to this CAFO. Any attempt by Respondent to deduct any such payments shall constitute a violation of this CAFO.

29. Pursuant to 31 U.S.C. § 3717, EPA is entitled to assess interest and penalties on debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest will therefore begin to accrue on the civil penalty from the date of entry of this CAFO, if the penalty is not paid by the date required. A charge will also be assessed to cover the administrative costs, both

direct and indirect, of overdue debts. In addition, a late payment penalty charge shall be applied on any principal amount not paid within 90 days of the due date. Complainant and Respondent shall bear their own costs and attorney fees in this matter.

30. This CAFO shall be binding upon the Respondent, its successors and assigns.

31. Each undersigned representative of the parties to this CAFO certifies that he or she is fully authorized by the party represented to enter into this CAFO and legally binds that party to this CAFO.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

VI. Effective Date

32. The effective date of this CAFO shall be the date on which the CAFO is filed with the Regional Hearing Clerk.

AGREED AND CONSENTED TO:

Respondent: Florida Transformers, Incorporated
Docket No.: TSCA-04-2015-2902(b)

By: Ronald T. Shaw (Signature) Date: 4-22-15

Name: RONALD T. SHAW (Typed or Printed)

Title: PRESIDENT (Typed or Printed)

Complainant: U.S. Environmental Protection Agency

By: G. Alan Farmer Date: 4/29/15
G. Alan Farmer, Director
Resource Conservation and Restoration Division
61 Forsyth Street
Atlanta, Georgia 30303-8960

APPROVED AND SO ORDERED this 5th day of May

By: Carol F. Baschon
Carol F. Baschon
Acting Regional Judicial Officer
EPA Region 4

CERTIFICATE OF SERVICE

I hereby certify that I have this day filed the original and a true and correct copy of the foregoing Consent Agreement and the attached Final Order (CAFO), for Florida Transformers, Incorporated, Docket Number: TSCA-04-2015-2902(b), on 5-6-15, and on 5-6-15, served the parties listed below in the manner indicated:

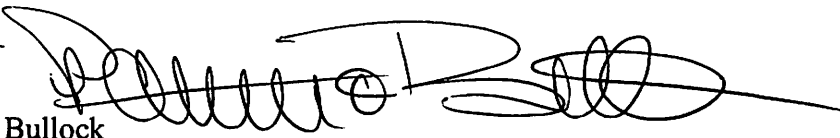
Robert A. Caplan (Via EPA Internal Mail)
Senior Attorney
Office of Environmental Accountability
U.S. EPA, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8909

Javier Garcia (Via EPA Internal mail)
Enforcement and Compliance Branch
Resource Conservation and Restoration Division
U.S. EPA, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8960

Tammye Cross (Via EPA Internal mail)
Enforcement and Compliance Branch
Resource Conservation and Restoration Division
U.S. EPA, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8960

Ronald T. Shaw (Via Certified Mail – Return Receipt Requested)
Florida Transformer, Incorporated
4509 State Highway
Defuniak Springs, Florida 32435

5/6/15
Date:


Patricia A. Bullock
Regional Hearing Clerk
United States Environmental Protection Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303
(404) 562-9511