

U. S. ENVIRONMENTAL PROTECTION AGENCY
REGION 7
901 NORTH 5th STREET
KANSAS CITY, KANSAS 66101
BEFORE THE ADMINISTRATOR

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ENVIRONMENTAL PROTECTION
AGENCY-REGION VII
REGIONAL HEARING CLERK

In the Matter of)
Stepan Company) Docket No. FIFRA-07-2010-0041
Respondent)

CONSENT AGREEMENT AND FINAL ORDER

The U.S. Environmental Protection Agency (EPA), Region 7 and Stepan Company (Respondent) have agreed to a settlement of this action before filing of a Complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(b)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. §§ 22.13(b) and 22.18(b)(2).

Section I

Jurisdiction

1. This proceeding is an administrative action for the assessment of civil penalties instituted pursuant to Section 14 of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), 7 U.S.C. § 136l.

2. This Consent Agreement and Final Order (CAFO) serves as notice that EPA has reason to believe that Respondent has violated Section 12 of FIFRA, 7 U.S.C. § 136j.

Section II

Parties

3. The Complainant, by delegation from the Administrator of EPA and the Regional Administrator, EPA, Region 7, is the Director of the Water, Wetlands and Pesticides Division, EPA, Region 7.

4. The Respondent is a Delaware corporation located in Northfield, Illinois.

Section III

Statutory and Regulatory Background

5. Congress enacted FIFRA in 1947 and amended it in 1972 and in 1996. The general purpose of FIFRA is to provide the basis for regulation, sale, distribution and use of pesticides in the United States. 7 U.S.C. 136 *et. seq.*

6. Section 2(t) of FIFRA, 7 U.S.C. § 136(t), defines the term “pest” to mean (1) any insect, rodent, nematode, fungus, weed, or (2) any other form of terrestrial or aquatic plant or animal life or virus, bacteria, or other micro-organism (except viruses, bacteria, or other micro-organism on or in living man or other living animals) which the Administrator declares to be a pest under Section 25(c)(1).

7. Section 2(u) of FIFRA, 7 U.S.C. § 136(u), defines the term “pesticide” to mean any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest.

8. Section 2(s) of FIFRA, 7 U.S.C. § 136(s), defines the term “person” to mean any individual, partnership, association, corporation, or any organized group of persons whether incorporated or not.

9. Section 2(y) of FIFRA, 7 U.S.C. § 136(y), defines the term "registrant" to mean a person who has registered any pesticide pursuant to the provisions of the Act.

10. Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg), defines the term "to distribute or sell" to mean 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.

11. Pesticide registrants may distribute or sell a registered product under another person's name and address instead of (or in addition to) their owner. Such distribution and sale is termed "supplemental distribution." The distributor is considered an agent of the registrant for all intents and purposes under the Act, and both the registrant and the distributor may be held liable for violations pertaining to the distributor product. 40 C.F.R. § 152.132.

12. Section 2(q)(1)(A) of FIFRA, 7 U.S.C. § 136(q)(1)(A), states, in pertinent part, a pesticide is misbranded if its labeling bears any statement which is false or misleading in any particular.

13. Section 2(q)(1)(E) of FIFRA, 7 U.S.C. § 136(q)(1)(E), states a pesticide is misbranded if any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

14. Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E), states it shall be unlawful for any person to distribute or sell any pesticide that is adulterated or misbranded.

Section IV

General Factual Allegations

15. Respondent is and, at all times referred to herein, was a "person" within the meaning of FIFRA.

16. Respondent is the registrant for the pesticide products Veterinarian Type Disinfectant, EPA Reg. No. 1839-100, and Acid CD Dairy & Food Processing Cleaner & Sanitizer, EPA Reg. No. 1839-51, which are supplementally distributed by Consolidated Products, Inc., as, respectively, Kennel Clean, EPA Reg. No. 1839-100-33444, and Al-Brite, EPA Reg. No. 1839-51-33444.

17. Or or about January 6, 2010, a representative of the Missouri Department of Agriculture (MDA) conducted an inspection of Consolidated Products, Inc. in Pagedale, Missouri, and collected evidence that Consolidated Products, Inc. was holding for sale or distribution a quantity of Veterinarian Type Disinfectant, EPA Reg. No. 1839-100, supplementally distributed as Kennel Clean, and a quantity of Acid CD Dairy & Food Processing Cleaner & Sanitizer, EPA Reg. No. 1839-51, supplementally distributed as Al-Brite. Labels and documentation pertaining to the products were collected by MDA.

Violations

18. The Complainant hereby states and alleges that Respondent has violated FIFRA and federal regulations promulgated thereunder, as follows:

Count 1

19. The facts stated in paragraphs 15 through 17 are realleged and incorporated as if

fully stated herein.

20. On or about January 6, 2010, Respondent held for sale or distribution a quantity of Veterinarian Type Disinfectant, EPA Reg. No. 1839-100, supplementally distributed as Kennel Clean, EPA Reg. No. 1839-100-33444.

21. The label for the product Veterinarian Type Disinfectant, EPA Reg. No. 1839-100, supplementally distributed as Kennel Clean, EPA Reg. No. 1839-100-33444, was misbranded in that it lacked required information from the EPA-accepted label for the product.

22. Respondent violated Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E), by holding for sale or distribution a pesticide which was misbranded.

Count 2

23. The facts stated in paragraphs 15 through 17 are realleged and incorporated as if fully stated herein.

24. On or about January 6, 2010, Respondent held for sale or distribution a quantity of Acid CD Dairy & Food Processing Cleaner & Sanitizer, EPA Reg. No. 1839-51, supplementally distributed as Al-Brite, EPA Reg. No. 1839-51-33444.

25. The label for the product Acid CD Dairy & Food Processing Cleaner & Sanitizer, EPA Reg. No. 1839-51, supplementally distributed as Al-Brite, EPA Reg. No. 1839-51-33444, was misbranded in that it lacked required information from the EPA-accepted label for the product.

26. Respondent violated Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E), by holding for sale or distribution a pesticide which was misbranded.

Count 3

27. The facts stated in paragraphs 15 through 17 are realleged and incorporated as if fully stated herein.

28. On or about January 6, 2010, Respondent held for sale or distribution a quantity of BTC 2125M 10% Solution, EPA Reg. No. 1839-86, supplementally distributed as CP Quat 10% Solution, EPA Reg. No. 1839-86-33444.

29. On three occasions, on or about September 28, 2008, March 9, 2009, and July 8, 2009, Respondent sold or distributed a quantity of BTC 2125M 10% Solution, EPA Reg. No. 1839-86, supplementally distributed as CP Quat 10% Solution, EPA Reg. No. 1839-86-33444.

30. At the times referenced in Paragraphs 28 and 29 above, the label for the product BTC 2125M 10% Solution, EPA Reg. No. 1839-86, supplementally distributed as CP Quat 10% Solution, EPA Reg. No. 1839-86-33444, was misbranded in that it lacked required information from the EPA-accepted label for the product.

31. Respondent violated Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E), by holding for sale or distribution a pesticide which was misbranded.

Section V

Consent Agreement

32. For purposes of this proceeding, Respondent admits the jurisdictional allegations set forth above, and agrees not to contest EPA's jurisdiction in this proceeding or any subsequent proceeding to enforce the terms of the Final Order.

33. Respondent neither admits nor denies the factual allegations set forth above.

34. Respondent waives its right to contest any issue of fact or law set forth above and

its right to appeal the Final Order accompanying this Consent Agreement.

35. Respondent and EPA agree to conciliate this matter without the necessity of a formal hearing and to bear their respective costs and attorney's fees.

36. Nothing contained in the Final Order portion of this CAFO shall alter or otherwise affect Respondent's obligation to comply with all applicable federal, state, and local environmental statutes and regulations and applicable permits.

37. The undersigned representative of Respondent certifies that he or she is fully authorized to enter into the terms and conditions of this CAFO and to execute and legally bind Respondent to it.

38. Respondent certifies that by signing this CAFO that it is presently in compliance with FIFRA, 7 U.S.C. § 136 et. seq., and all regulations promulgated thereunder.

39. The effect of settlement as described in Paragraph 40 below is conditioned upon the accuracy of the Respondent's representations to EPA, as memorialized in Paragraph 38 above.

40. Payment of this civil penalty in full shall resolve all civil and administrative claims for all violations of FIFRA alleged in this document. Complainant reserves the right to take any enforcement action with respect to any other violations of FIFRA or any other applicable law and/or regulation administered by the EPA.

41. Respondent consents to the issuance of the Final Order hereinafter recited and consents to the payment of a civil penalty as specified in the Final Order.

42. Late Payment Provisions: 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. Respondent understands that its failure to timely pay any portion of the civil penalty described in Paragraph 1 of the Final Order below may result in the commencement of a civil action in Federal District Court to recover the full remaining balance, along with penalties and accumulated interest. In such case, interest shall accrue thereon at the applicable statutory rate on the unpaid balance until such civil or stipulated penalty and any accrued interest are paid in full. A late payment handling charge of \$15 will be imposed after thirty (30) days and an additional \$15 will be charged for each subsequent thirty (30) day period. Additionally, as provided by 31 U.S.C. § 3717(e)(2), a six percent (6%) per annum penalty (late charge) may be assessed on any amount not paid within ninety (90) days of the due date.

Section VI

Final Order

Pursuant to Section 14 of FIFRA, as amended, 7 U.S.C. §136l, and according to the terms of the Consent Agreement set forth above, **IT IS HEREBY ORDERED THAT:**

1. Respondent shall pay a civil penalty of Ten Thousand Two Hundred Dollars (\$10,200.00) within thirty (30) days of the effective date of this Final Order. Such payment shall identify Respondent by name and docket number and made as follows:

If by certified or cashier's check, payment should be made payable to the "United States Treasury" and sent to the following address:

US Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
PO Box 979077
St. Louis, Missouri 63197-9000.

If by wire transfer, payment should be directed to the Federal Reserve Bank of New

York as follows:

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."

2. A copy of the check or other information confirming payment shall simultaneously be sent to the following:

Regional Hearing Clerk
U.S. Environmental Protection Agency
Region 7
901 North 5th Street
Kansas City, Kansas 66101;

and

Chris R. Dudding, Attorney
Office of Regional Counsel
U.S. Environmental Protection Agency
Region 7
901 North 5th Street
Kansas City, Kansas 66101.

3. No portion of the civil penalty or interest paid by Respondent pursuant to the requirements of this CAFO shall be claimed by Respondent as a deduction for federal, state, or local income tax purposes.

4. This CAFO shall be effective upon the filing of the Final Order by the Regional Hearing Clerk for EPA, Region 7. Unless otherwise stated, all time periods stated herein shall be calculated in calendar days from such date.

RESPONDENT
STEPAN COMPANY

Date: 9/29/10

By: 

John V. Venegoni

Print Name

Vice President and General Manager, Surfactants

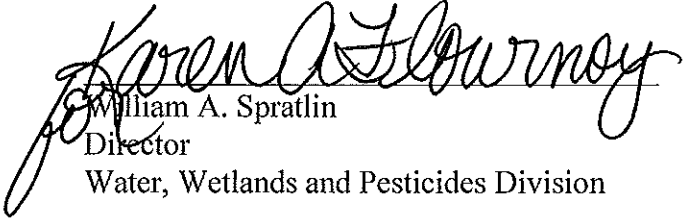
Title

COMPLAINANT

U. S. ENVIRONMENTAL PROTECTION AGENCY

Date:

9/30/10


William A. Spratlin

Director

Water, Wetlands and Pesticides Division

Date:

9/30/10


Chris R. Dudding

Office of Regional Counsel

IT IS SO ORDERED. This Order shall become effective immediately.

Date: Sept. 30, 2010

Robert L. Patrick

ROBERT L. PATRICK

Regional Judicial Officer

U.S. Environmental Protection Agency, Region 7

IN THE MATTER OF Stepan Company, Respondent
Docket No. FIFRA-07-2010-0041

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Consent Agreement and Final Order was sent this day in the following manner to the addressees:

Copy hand delivered to
Attorney for Complainant:

Chris Dudding
Assistant Regional Counsel
Region 7
United States Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101

Copy by Certified Mail Return Receipt to:

Russell A. Garrison
Corporate Counsel
Stepan Company
22 W. Frontage Road
Northfield, Illinois 60093

Dated: 9/30/10



Kathy Robinson
Hearing Clerk, Region 7