Jul 08, 2024 4:18 pm U.S. EPA REGION 4 HEARING CLERK

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4

1
Docket No. FIFRA-04-2024-3010(b)

CONSENT AGREEMENT

I. NATURE OF ACTION

- This is an administrative penalty assessment proceeding brought under Section 14(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA or the Act), as amended, 7 U.S.C. § 136I(a), and Sections 22.13(b) and 22.18 of the Consolidated Rules of Practice Governing Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at Title 40 of the Code of Federal Regulations (C.F.R.) Part 22.
- 2. This Consent Agreement and the attached Final Order shall collectively be referred to as the CAFO.
- 3. Having found that settlement is consistent with the provisions of FIFRA and applicable regulations, the Parties have agreed to settle this action pursuant to 40 C.F.R. § 22.18 and consent to the entry of this CAFO without adjudication of any issues of law or fact herein.

II. PARTIES

4. Complainant is the Director of the Enforcement and Compliance Assurance Division, United States Environmental Protection Agency (EPA), Region 4, who has been delegated the authority on behalf of the Administrator of the EPA to enter into this CAFO pursuant to 40 C.F.R. Part 22 and Section

- 14(a) of FIFRA, 7 U.S.C. § 136/(a).
- Respondent is Makhteshim Agan of North America, Inc., d/b/a/ Adama Ltd. (Adama), a
 corporation doing business in the State of North Carolina. This proceeding pertains to
 Respondent's importation of pesticide products through the Port of Savannah, Georgia, Port Code
 1703 (Port of Savannah).

III. GOVERNING LAW

- 6. The term "active ingredient" is defined in Section 2(a) of FIFRA, 7 U.S.C. § 136(a), to mean, in the case of a pesticide other than a plant regulator, defoliant, desiccant, or nitrogen stabilizer, an ingredient which will prevent, destroy, repel, or mitigate any pest.
- 7. The term "label" is defined in Section 2(p)(1) of FIFRA, 7 U.S.C. § 136(p)(1), to mean the written, printed, or graphic matter on, or attached to, the pesticide or device or any of its containers or wrappers.
- 8. The term "labeling" is defined in Section 2(p)(2) of FIFRA, 7 U.S.C. § 136(p)(2), to mean all labels and all other written, printed, or graphic matter: (a) accompanying the pesticide or device at any time; or (b) to which reference is made on the label or in literature accompanying the pesticide or device.
- 9. The term "person" is defined in Section 2(s) of FIFRA, 7 U.S.C. § 136(s), to mean any individual, partnership, association, corporation, or any organized group of persons whether incorporated or not.
- 10. The term "pest" is defined in Section 2(t) of FIFRA, 7 U.S.C. § 136(t), to mean any insect, rodent, nematode, fungus, weed, or any other form of terrestrial or aquatic plant or animal life or virus, bacteria, or other micro-organism (except viruses, bacteria, or other micro-organisms on or in living man or other living animals) which the Administrator declares to be a pest under Section 25(c)(1) of FIFRA, 7 U.S.C. § 136w(c)(1).
- 11. The term "pesticide" is defined in Section 2(u) of FIFRA, 7 U.S.C. § 136(u), to mean any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest.
- 12. The term "producer" is defined in Section 2(w) of FIFRA, 7 U.S.C. § 136(w), to mean the person who manufacturers, prepares, compounds, propagates, or processes any pesticide or device or active ingredient used in producing a pesticide.
- 13. The term "establishment" is defined in Section 2(dd) of FIFRA, 7 U.S.C. § 136(dd), and 40 C.F.R. § 167.3, to mean any place where a pesticide or device or active ingredient used in producing a pesticide is produced, or held, for distribution or sale.
- 14. The term "to distribute or sell" is defined in Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg), 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.
- 15. Pursuant to 40 C.F.R. § 152.3, "distribute or sell" and other grammatical variations of the term

- such as "distributed or sold" and "distribution or sale," is further defined to mean the acts of distributing, selling, offering for sale, holding for sale, shipping, holding for shipment, delivering for shipment, or receiving and (having so received) delivering or offering to deliver, or releasing for shipment to any person in any State.
- 16. Pursuant to Section 3 of FIFRA, 7 U.S.C. § 136*a*, pesticides that are sold or distributed in the United States are required to be registered with the EPA.
- 17. Pursuant to Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136*j*(a)(1)(A), it is unlawful for any person to distribute or sell to any person any pesticide that is not registered under Section 3 of FIFRA, 7 U.S.C. § 136*a*.
- 18. Pursuant to 40 C.F.R. § 152.30(b), an unregistered pesticide may be distributed or sold, or otherwise transferred, between registered establishments not operated by the same producer if: (1) The transfer is solely for the purpose of further formulation, packaging, or labeling into a product that is registered; (2) Each active ingredient in the pesticide, at the time of transfer, is present as a result of incorporation into the pesticide of either (i) a registered product or (ii) a pesticide that is produced by the registrant of the final product; and (3) The product as transferred is labeled in accordance with 40 C.F.R. Part 156.
- 19. Pursuant to Section 18 of FIFRA, 7 U.S.C. § 136p, and 40 C.F.R. Part 166, the EPA is authorized to exempt State and Federal agencies from any provision of the Act if emergency conditions exist which require an exemption.
- 20. Pursuant to 40 C.F.R § 166.2, there are four types of emergency exemptions which may be authorized: specific, quarantine, public health, and crisis exemptions. A "specific" exemption may be authorized in an emergency condition to avert a significant economic loss.
- 21. Pursuant to 40 C.F.R. § 152.30(e), an unregistered pesticide may be distributed or sold in accordance with the terms of an emergency exemption under Section 18 of FIFRA, if the product is labeled in accordance with 40 C.F.R. Part 156.
- 22. Pursuant to Section 17(c) FIFRA, 7 U.S.C. § 136o(c), and 19 C.F.R. § 12.112, an importer (or its agent) desiring to import pesticides or pesticide devices into the United States must submit to the EPA Administrator a Notice of Arrival of Pesticides and Devices (NOA) [EPA Form 3540-1] prior to the arrival of the shipment(s) into the United States, or may file an electronic alternative to the NOA with the filing of entry documentation via the U.S. Customs and Border Protection's (CBP) Automated Commercial Environment (ACE) Data Processing System.
- 23. Section 14(a) of FIFRA, 7 U.S.C. § 136*l*(a), in conjunction with 40 C.F.R. Part 19, Adjustments of Civil Monetary Penalties for Inflation, authorizes the assessment of a civil penalty for violations of the Act.

IV. FINDINGS OF FACTS

24. Respondent is a "person" as defined in Section 2(s) of FIFRA, 7 U.S.C. § 136(s), and as such is subject to FIFRA and the regulations promulgated thereunder.

- 25. On or around November 15, 2023, EPA Region 4 was notified by the EPA's Office of Chemical Safety and Pollution Prevention (OCSPP) of the imminent arrival of Adama's unregistered pesticide product, Metamitron, into the Port of Savannah. OSCPP noted that the product was the subject of two requests for a FIFRA Section 18 emergency exemption submitted by the States of Colorado and Nebraska for the use of Metamitron against the invasive, glyphosate-resistant weed, Palmer amaranth, for the 2024 sugar beet growing season. Both States submitted specific exemption requests on behalf of growers to avert significant economic losses.
- 26. On or around November 29, 2023, C.H. Robinson Worldwide, Inc. (C.H. Robinson), the licensed customs broker for Adama, filed an entry on behalf of Adama through the CBP's ACE Data Processing System for the importation of 42,000 kilograms of the unregistered pesticide product, Metamitron, and submitted entry documents, labels, and labeling for the product via CBP's Document Image System (DIS). This first shipment of Metamitron arrived at the Port of Savannah under Entry Number 791-45226846, on or around December 5, 2023 (the First Shipment).
- 27. On or around November 29, 2023, C.H. Robinson filed a second entry on behalf of Adama using the CBP's ACE Data Processing System for the importation of a second shipment of 42,000 kilograms of Metamitron (the Second Shipment) and submitted entry documents, labels, and labeling for the product via the CBP's DIS. This Second Shipment arrived at the Port of Savannah under Entry Number 791-45226937, on or around December 5, 2023, the same date that Adama's First Shipment arrived.
- 28. At the time of arrival of the two shipments of Metamitron on December 5, 2023, the FIFRA Section 18 emergency exemption had not been issued by OCSPP. Therefore, the products were not in compliance with 40 C.F.R. § 152.30(e).
- 29. The importation of the unregistered pesticide product, Metamitron, by Adama constitutes "distribution or sale" of these pesticides as that term is defined in Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg), and 40 C.F.R. § 152.3.
- 30. On or around December 6, 2023, the EPA reviewed the labels and labeling information submitted on behalf of Adama via CBP's DIS, observing that the Metamitron product was labeled with the statement: "This product is being imported into the United States for the sole purpose of manufacturing, formulating, or repackaging into an EPA-registered pesticide product." The EPA noted that the intention of the importation of Metamitron was not for the formulation, packaging, or labeling into a product that is registered, but for the formulation, packaging, and labeling into the unregistered pesticide, Gotlix 700 SC. The EPA also reviewed the shipments for compliance with other provisions of 40 C.F.R. § 152.30 by which the products could make a lawful entry, namely 40 C.F.R. § 152.30(b), but none were found to be applicable. As such, the EPA determined that the products were not in compliance with 40 C.F.R. § 152.30(b).
- 31. Since the intention of the importation of the unregistered pesticide, Metamitron, was not for the formulation, packaging, or labeling into a product that is registered, and at the time of importation, a FIFRA Section 18 emergency exemption had not yet been issued by OCSPP, the unregistered pesticide did not meet the conditions for legal distribution in the United States, as outlined in 40 C.F.R. § 152.30. Therefore, the products were unregistered pesticides distributed (imported) in violation of FIFRA Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136*j*(a)(1)(A).

- 32. Consequently, on or around December 7, 2023, the EPA requested that CBP at the Port of Savannah detain the two shipments of the unregistered pesticide product, Metamitron.
- 33. On or around December 14, 2023, the EPA's OCSPP issued a FIFRA Section 18 emergency exemption for the unregistered pesticide, Metamitron. At that time, the EPA recommended that CBP release the shipments for delivery to their ultimate destination to be used according to the emergency exemption.

V. ALLEGED VIOLATIONS

34. The EPA alleges that Respondent violated Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136*j*(a)(1)(A), by distributing the unregistered pesticide, Metamitron, on or around December 5, 2023, as outlined in Section IV above.

VI. STIPULATIONS

- 35. The issuance of this CAFO simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).
- 36. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:
 - (a) admits that the EPA has jurisdiction over the subject matter alleged in this CAFO;
 - (b) neither admits nor denies the factual allegations set forth in Section IV (Findings of Facts) of this CAFO;
 - (c) consents to the assessment of a civil penalty as stated below;
 - (d) consents to the conditions specified in this CAFO;
 - (e) waives any right to contest the alleged violations of law set forth in Section V (Alleged Violations) of this CAFO; and
 - (f) waives its rights to appeal the Final Order accompanying this CAFO.
- 37. For the purpose of this proceeding, Respondent:
 - (a) agrees that this CAFO states a claim upon which relief may be granted against Respondent;
 - (b) acknowledges that this CAFO constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
 - (c) waives any right it may possess at law or in equity to challenge the authority of EPA to bring a civil action in a United States District Court to compel compliance with the CAFO, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action;
 - (d) by executing this CAFO, certifies to the best of its knowledge that Respondent is

- currently in compliance with all relevant requirements of FIFRA and its implementing regulations, and that all violations alleged herein, which are neither admitted nor denied, have been corrected;
- (e) waives any right it may have pursuant to 40 C.F.R. § 22.8 to be present during any discussions with, or to be served with and reply to, any memorandum or communication addressed to EPA officials where the purpose of such discussion, memorandum, or communication is to persuade such official to accept or issue this CAFO; and
- (f) agrees to comply with the terms of this CAFO.
- 38. In accordance with 40 C.F.R. § 22.5, the individuals named in the Certificate of Service are authorized to receive service related to this proceeding and the Parties agree to receive service by electronic means.

VII. TERMS OF PAYMENT

- 39. Respondent consents to the payment of a civil penalty, which was calculated in accordance with the Act, in the amount of **TEN THOUSAND AND FOUR HUNDRED AND FORTY DOLLARS** (\$10,440.00), which is to be paid within thirty (30) days of the Effective Date of this CAFO.
- 40. Payment(s) shall be made by cashier's check, certified check, by electronic funds transfer (EFT), or by Automated Clearing House (ACH) (also known as REX or remittance express). If paying by check, the check shall be payable to: Treasurer, United States of America, and the Facility name and docket number for this matter shall be referenced on the face of the check. If Respondent sends payment by standard U.S. Postal Service delivery, the payment shall be addressed to:

U.S. Environmental Protection Agency P.O. Box 979078 St. Louis, Missouri 63197-9000

If Respondent sends payment by non-standard mail delivery (e.g., FedEx, DHL, UPS, USPS certified, registered, etc.), the payment shall be sent to:

U.S. Environmental Protection Agency Government Lockbox 979078 3180 Rider Trail S. Earth City, Missouri 63045

If paying by EFT, Respondent shall transfer the payment to:

Federal Reserve Bank of New York

ABA: 021030004

Account Number: 68010727 SWIFT address: FRNYUS33

33 Liberty Street

New York, New York 10045

Beneficiary: Environmental Protection Agency

If paying by ACH, Respondent shall remit payment to:

US Treasury REX / Cashlink ACH Receiver

ABA: 051036706

Account Number: 310006, Environmental Protection Agency

CTX Format Transaction Code 22 – checking Physical location of US Treasury facility:

5700 Rivertech Court

Riverdale, Maryland 20737

REX (Remittance Express): 1-866-234-5681

41. Respondent shall send proof of payment within twenty-four (24) hours of payment of the civil penalty, to:

Regional Hearing Clerk
R4_Regional_Hearing Clerk@epa.gov

and

Seth Ramsay Enforcement and Compliance Assurance Division Chemical Safety Land Enforcement Branch ramsay.seth@epa.gov

- 42. "Proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to the EPA requirements, in the amount due, and identified with the Facility name and Docket No. FIFRA-04-2024-3010(b).
- 43. Pursuant to 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to remit the civil penalty as agreed to herein, the EPA is entitled to assess interest and penalties on debts owed to the United States and a charge to cover the costs of processing and handling the delinquent claim. Accordingly, the EPA may require the Respondent to pay the following amounts on any amount overdue:
 - (a) Interest. Interest will begin to accrue on the civil penalty from the Effective Date of this CAFO. If the civil penalty is paid within thirty (30) days of the Effective Date of this CAFO, interest is waived. However, if the civil penalty is not paid in full within thirty (30) days of the Effective Date of this CAFO, interest will continue to accrue on any unpaid portion until the unpaid portion of the penalty and accrued interest is paid. Interest will be assessed at the rate of the United States Treasury tax and loan rate, as established by the Secretary of the Treasury, in accordance with 31 U.S.C. § 3717(a)(1), 31 C.F.R. § 901.9(b), and 40 C.F.R. § 13.11(a).

- (b) Non-Payment Penalty. On any portion of a civil penalty more than ninety (90) days past due, Respondent must pay a non-payment penalty of not more than six percent (6%) per annum, which will accrue from the date the penalty payment became due and is not paid, as provided in 31 U.S.C. § 3717(e)(2) and 31 C.F.R. § 901.9(d). This non-payment penalty is in addition to charges which accrue or may accrue under subparagraphs (a) and (c) and will be assessed monthly. 40 C.F.R. § 13.11(c).
- (c) Monthly Handling Charge. Respondent must pay a late payment handling charge to cover the administrative costs of processing and handling the delinquent claim, based on either actual or average cost incurred. 31 C.F.R. § 901.9(c) and 40 C.F.R. § 13.11(b). Administrative costs will be assessed monthly throughout the period the debt is overdue except as provided by 40 C.F.R. § 13.12.
- 44. If Respondent fails to timely pay any portion of the penalty assessed under this CAFO, the EPA may:
 - (a) refer the debt to a credit reporting agency or a collection agency pursuant to Section 14(a) of FIFRA, 7 U.S.C.§ 136/(a) (see 40 C.F.R. §§ 13.13 and 13.14);
 - (b) collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds (see 40 C.F.R. Part 13, Subparts C and H);
 - (c) suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds (see 40 C.F.R. § 13.17); and/or
 - (d) request that the Attorney General bring a civil action in the appropriate district court to recover the amount assessed pursuant to Section 14(a)(5) of FIFRA, 7 U.S.C. § 136/(a)(5).
- 45. Penalties paid pursuant to this CAFO shall not be deductible for purposes of federal taxes.

VIII. EFFECT OF CAFO

- 46. In accordance with 40 C.F.R. § 22.18(c), Respondent's full compliance with this CAFO shall only resolve Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.
- 47. Full payment of the civil penalty, as provided in Section VII (Terms of Payment), shall satisfy the requirements of this CAFO; but shall not in any case affect the right of the EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. 40 C.F.R. § 22.18(c),
- 48. Any violation of this CAFO may result in a civil judicial action for civil penalties as provided in Section 14(a) of the Act, 42 U.S.C. § 136/(a), as well as criminal sanctions as provided in

- Section 14(b) of the Act, 42 U.S.C. § 136/(b). The EPA may use any information submitted under this CAFO in an administrative, civil judicial, or criminal action.
- 49. Nothing in this CAFO shall relieve Respondent of the duty to comply with all applicable provisions of FIFRA and other federal, state, or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit, except as expressly provided herein.
- 50. Nothing herein shall be construed to limit the power of EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent hazard as provided under the Act.
- 51. The terms, conditions, and compliance requirements of this CAFO may not be modified or amended except upon the written agreement of both Parties, and approval of the Regional Judicial Officer.
- 52. The provisions of this CAFO shall apply to and be binding upon Respondent and its successors and assigns. Respondent shall direct its officers, directors, employees, agents, trustees, and authorized representatives to comply with the provisions of this CAFO.
- 53. Any change in ownership, partnership, corporate, or legal status relating to Respondent will not in any way alter Respondent's obligations and responsibilities under this CAFO.
- 54. By signing this Consent Agreement, Respondent acknowledges that this CAFO will be available to the public and agrees that this CAFO does not contain any confidential business information or personally identifiable information.
- 55. By signing this Consent Agreement, the Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this CAFO and has the legal capacity to bind the party he or she represents to this CAFO.
- 56. By signing this Consent Agreement, both Parties agree that each party's obligations under this CAFO constitute sufficient consideration for the other party's obligations.
- 57. By signing this Consent Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and continues to be, true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.
- 58. The EPA also reserves the right to revoke this CAFO and settlement penalty if and to the extent that the EPA finds, after signing this CAFO, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA. If such false or inaccurate material was provided, The EPA reserves the right to

- assess and collect any and all civil penalties for any violation described herein. The EPA shall give Respondent notice of its intent to revoke, which shall not be effective until received by Respondent in writing.
- 59. It is the intent of the Parties that the provisions of this CAFO are severable. If any provision or authority of this CAFO or the application of this CAFO to any party or circumstances is held by any judicial or administrative authority to be invalid or unenforceable, the application of such provisions to other Parties or circumstances and the remainder of the CAFO shall remain in force and shall not be affected thereby.
- 60. Unless specifically stated otherwise in this CAFO, each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

IX. EFFECTIVE DATE

61. This CAFO shall become effective upon execution of the Final Order by the Regional Judicial Officer on the date of filing with the Regional Hearing Clerk.

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Complainant and Respondent will Each Sign on Separate Pages]

FOR RESPONDE	ENT:		
<u>Mauld</u> Signature	the Janson	6/20/2024 Date	
		ORKS ROAD, Stc 30	

The foregoing Consent Agreement In the Matter of Makhteshim Agan of North America, Inc., d/b/a/Adama Ltd., Docket Number FIFRA-04-2024-3010(b), is Hereby Stipulated, Agreed, and Approved for

Entry.

	atter of Makhteshim Agan of North America, Inc., d/b/a/-3010(b), Is Hereby Stipulated, Agreed, and Approved for
FOR COMPLAINANT:	£
	Keriema Newman, Director Enforcement and Compliance Assurance Division U.S. Environmental Protection Agency, Region 4

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4

In the Matter of:	
Makhteshim Agan of North America, Inc., d/b/a/ Adama Ltd.,	Docket No. FIFRA-04-2024-3010(b)
Respondent.	FINAL ORDER
Consent Agreement is, therefore, hereby approve Final Order in accordance with the <i>Consolidated F</i>	at. 40 C.F.R. §§ 22.4(b) and 22.18(b)(3). The foregoing ed, ratified, and incorporated by reference into this
The Respondent is hereby ORDERED to comply wi Agreement effective immediately upon filing of th Regional Hearing Clerk. This Final Order disposes §§ 22.18 and 22.31.	nis Consent Agreement and Final Order with the
BEING AGREED, IT IS SO ORDERED.	
	Tanya Floyd Regional Judicial Officer

CERTIFICATE OF SERVICE

I certify that the foregoing Consent Agreement and Final Order, In the Matter of Makhteshim Agan of North America, Inc., d/b/a/ Adama Ltd., Docket No. FIFRA-04-2024-3010(b), were filed and copies of the same were emailed to the Parties as indicated below.

Via email to all Parties at the following email addresses:

To Respondent:

Charlotte Sanson

Head of NA Regulatory Affairs & Sustainability

Makhteshim Agan of North America, Inc., d/b/a Adama Ltd.

charlotte.sanson@adama.com

919-256-9317

To EPA:

Seth Ramsay

Case Development Officer ramsay.seth@epa.gov

404-562-9053

F. Marshall Binford, Jr. Associate Regional Counsel binford.marshall@epa.gov

404-562-9543

Shannon L. Richardson, Regional Hearing Clerk R4_Regional_Hearing_Clerk@epa.gov