SYLVIA QUAST Regional Counsel	
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Margaret Alkon Assistant Regional Counsel	N.S. EPA 2023
U.S. Environmental Protection Agency	y, Region IX
75 Hawthorne Street	Olov IX
San Francisco, CA 94105	
(415) 972-3890 Alkon.Margaret@epa.gov	
7 IKOII.IVIai garetia/epa.gov	
FNVIDONME	UNITED STATES ENTAL PROTECTION AGENCY
ENVINONIME	REGION IX
75 H	AWTHORNE STREET
SAN	FRANCISCO, CA 94105
In the matter of:	
)	U.S. EPA Docket No. FIFRA-09-2023-0086
	CONGRAME A CONTRACTOR
Grocery Outlet Inc.	CONSENT AGREEMENT and
<i>,</i> )	FINAL ORDER PURSUANT TO
Respondent. )	<b>SECTIONS 22.13 AND 22.18</b>
)	
<u>I. CO</u>	DNSENT AGREEMENT
The United States Environmen	tal Protection Agency ("EPA") and Grocery Outlet Inc.
("Respondent") agree to settle this mat	tter and consent to the entry of this Consent Agreement
and Final Order ("CAFO"). This CAF	O simultaneously initiates and concludes this proceeding
in accordance with 40 C.F.R. §§22.13(	,
	THORITY AND PARTIES
1. This administrative pro-	ceeding for the assessment of a civil administrative penalty
s initiated pursuant to section 14(a) of	The Federal Insecticide, Fungicide, and Rodenticide Act, 7
U.S.C. § 136, <u>et</u> <u>seq</u> . (hereinafter refer	red to as "FIFRA" or the "Act"), and the Consolidated
Rules of Practice Governing the Admi	nistrative Assessment of Civil Penalties and the
Revocation/Termination or Suspension	n of Permits, 40 C.F.R. Part 22.
2. Complainant is the Mar	nager of the Toxics Section of the Enforcement and
•	Region IX, who has been duly delegated to commence
Compilation Assurance Division, Li A	region 121, who has seen daily delegated to commence

and settle an enforcement action in this matter.

3. Respondent is a California corporation headquartered in Emeryville, California and with facilities and businesses in California.

# **B. STATUTORY AND REGULATORY AUTHORITIES**

- 4. Under section 2(s) of FIFRA, 7 U.S.C. §136 s), a person is "any individual, partnership, association, corporation, or any organized group of persons whether incorporated or not."
- 5. Under section 2(u) of FIFRA, 7 U.S.C. §136(u), a pesticide is, among other things, "any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest."
- 6. The term "pest" includes (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 microorganism (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 FIFRA section 25(c)(1). Section 2(t) of FIFRA, 7 U.S.C. §136(t).
- 7. The term "to distribute or sell" means 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. Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg).

### Unregistered Pesticide

8. Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A), states that it is unlawful for any person in any State to distribute or sell to any person any pesticide that is not registered under the Act. See also 40 C.F.R. 152.15, which also provides that no person may distribute or sell any pesticide that is not registered under the Act, with certain exceptions not applicable here.

#### Penalty

9. Any registrant, commercial applicator, wholesaler, dealer, retailer, or other distributor who violates any provision of the Act may be assessed a civil penalty of not more than \$23,494 for violations that occurred after November 2, 2015 and are assessed on or after January 6, 2023. Section 14(a)(1) of the Act, 7 U.S.C. § 136l(a)(1), as amended by the Civil Monetary Penalty Inflation Adjustment Rule, 40 C.F.R. Part 19.

1		C. COMPLAINANT'S ALLEGATIONS
2	Compl	ainant alleges:
3	10.	Respondent is a "person" as that term is defined by section 2(s) of FIFRA, 7
4	U.S.C. § 136(	s), and as such is subject to FIFRA and the regulations promulgated thereunder.
5	11.	Respondent is a retailer.
6	12.	On or about February 3, 2021, California Department of Pesticide Regulation
7	inspectors con	ducted an inspection of a Grocery Outlet store in Stockton, California.
8	13.	On or about March 9, 2021, EPA Inspectors conducted an inspection of the
9	Clayton Valle	y Grocery Outlet in Concord, California.
10	14.	The Stockton and Clayton Valley Grocery Outlets are each operated by an
11	independent o	perator that obtains merchandise from Respondent.
12	15.	At the times relevant to this action, Respondent owns and operates stores in
13	Oakland, Cali	fornia and Redwood City, California.
14	16.	After the EPA inspection, EPA requested and Respondent provided information
15	regarding pro	ducts distributed and sold by Respondent.
16	17.	At the times relevant to this action, Respondent was selling and distributing the
17	following pro	ducts: (1) Love of Dream Antibacterial Wipes; (2) Fabuloso Orange Energy
18	Cleaner; (3) N	Miami Sterilizing Antiseptic Wipes (50 count and 100 count); (4) Miami 75%
19	Alcohol Wipe	es (50 count and 100 Count); and (5) Gold Essence Muli-Purpose Antibacterial Wet
20	Wipes (citrus	and fresh scents).
21	18.	Bacteria, virus, and other micro-organisms on surfaces, including surfaces of
22	residential ho	using, appliances, consumer electronics, toys, cars, and offices, are each "pests" as
23	that term is de	efined by FIFRA.
24		Count 1: Love of Dream Antibacterial Wipes
25	19.	At all times relevant to this action, Love of Dream Antibacterial Wipes is labeled
26	as follows:	
27		A. The front label states in part "Antibacterial Wipes," "Efficient
28		Sterilization," "99.9% sterilization rate."
29		B. The back label states "Scope of Application: Cleaning of objects surface
30		and skin."
31		C. The back label states "Main Ingredients: Non-woven fabric, pure water,

1	typhimurium, S. aureus."		
2	1. "Elimina el" is Spanish and means eliminate or remove.		
3	2. E. coli, P. aeruginosa, S. typhimurium, S. aureus are types of		
4	bacteria.		
5	3. The white sticker placed on the left-hand column of text leaves this		
6	text visible.		
7	D. The label contains neither an EPA product registration number nor an		
8	EPA producing establishment number.		
9	26. Claims for use to eliminate bacteria and to be antibacterial are claims against		
10	virus, bacteria, or other microorganisms. Bacteria including E. coli, P. aeruginosa, S.		
11	typhimurium, S. aureus, and virus and other micro-organisms are each "pests" as that term is		
12	defined by FIFRA.		
13	27. At the times relevant to this action, Fabuloso Orange Energy Cleaner is a		
14	"pesticide" as that term is defined by FIFRA.		
15	28. At the times relevant to this action, Fabuloso Orange Energy Cleaner is not a		
16	registered pesticide under the Act.		
17	29. On or about November 19, 2020 Respondent shipped Fabuloso Orange Energy		
18	Cleaner to its Redwood City store. On or about December 8, 2020, Responded shipped Fabuloso		
19	Orange Energy Cleaner to the independently-operated Clayton Valley store.		
20	30. In November and December 2020, Respondent distributed or sold Fabuloso		
21	Orange Energy Cleaner on at least two occasions. On each of these occasions, Respondent		
22	"distributed or sold" Fabuloso Orange Energy Cleaner as the term "to distribute or sell" is		
23	defined by Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg). In each of these occasions, Respondent		
24	violated section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A), by distributing or selling an		
25	unregistered pesticide.		
26	Count 3: Miami Sterilizing Antiseptic Wipes		
27	31. At all times relevant to this action, Miami Sterilizing Antiseptic Wipes is labeled		
28	as follows:		
29	A. The front label states "sterilizing antiseptic wipes" "Kills 99.99% of		
30	germs" and "Multi surface."		
31	B. The back label states "sterilization of skin and surfaces to help decrease		
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bacteria."

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administrative costs will accrue from the effective date of this CAFO as described at 40 CFR §13.11. In addition, if this matter is referred to another department or agency (e.g., the Department of Justice, the Internal Revenue Service), that department or agency may assess its own administrative costs, in addition to EPA's administrative costs, for handling and collecting Respondent's overdue debt. Respondent's failure to pay in full the civil administrative penalty by its due date also may also lead to any or all of the following actions:

a. The debt being referred to a credit reporting agency, a collection agency, or to the Department of Justice for filing of a collection action in the appropriate United States District Court. 40 C.F.R. §§ 13.13, 13.14, and 13.33. In any such collection action, the validity, amount, and appropriateness of the assessed penalty and of this CAFO shall not be subject to review.

b. The debt being collected 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. 40 C.F.R. Part 13, Subparts C and H.

c. EPA may (i) suspend or revoke Respondent's licenses or other privileges; (ii) suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds; (iii) convert the method of payment under a grant or contract from an advanced payment to a reimbursement method; or (iv) revoke a grantee's or contractor's letter-of-credit. 40 C.F.R. §§ 13.17.

## F. RESPONDENT CERTIFICATION

53. In executing this CAFO, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and is at the time of signature to this CAFO, truthful, accurate, and complete; and that Respondent has corrected the violations alleged in Section I.C of this CAFO. Under 18 U.S.C. § 1001, submitting false or misleading information can result in significant penalties, including the possibility of fines and imprisonment for knowing submission of such information.

# G. RETENTION OF RIGHTS, BINDING EFFECT, ETC.

54. This Consent Agreement constitutes the entire agreement between the Respondent and EPA. Full payment of the civil penalty and any applicable interest charges or late fees or penalties as set forth in this CAFO shall constitute full settlement and satisfaction of civil penalty

- 55. In accordance with 40 C.F.R. § 22.18(c), this CAFO only resolves Respondent's liabilities for federal civil penalties for the violations specifically alleged in Section I.C of this CAFO. Nothing in this CAFO is intended to or shall be construed to resolve: (i) any civil liability for violations of any provision of any federal, state, or local law, statute, regulation, rule, ordinance, or permit not specifically alleged in Section I.C of this CAFO; or (ii) any criminal liability. EPA specifically reserves any and all authorities, rights, and remedies available to it (including, but not limited to, injunctive or other equitable relief or criminal sanctions) to address any violation of this CAFO or any violation not specifically alleged in Section I.C of this CAFO. This CAFO does not exempt, relieve, modify, or affect in any way Respondent's duties to comply with all applicable federal, state, and local laws, regulations, rules, ordinances, and permits.
- 56. Except as set forth in Paragraph <u>52</u> above, EPA and Respondent shall each bear its own fees, costs, and disbursements in this action.
- 57. For the purposes of state and federal income taxation, Respondent shall not claim a deduction for any civil penalty payment made pursuant to this CAFO.
- 58. This CAFO constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement action. This CAFO will be available to the public and does not contain any confidential business information. Respondent further consents to accept electronic service of the fully executed CAFO, by electronic mail, to the following address: legalsop@cfgo.com. Respondent understands that this e-mail address may be made public when the CAFO and Certificate of Service are filed and uploaded to a searchable database.
- 59. In accordance with 40 C.F.R. §§ 22.18(b)(3) and 22.31(b), the effective date of this CAFO shall be the date on which the accompanying Final Order, having been signed by the Regional Judicial Officer, is filed.
- 60. The provisions of this CAFO shall be binding on Respondent and on Respondent's officers, directors, employees, agents, servants, authorized representatives, successors, and assigns.
- 61. The undersigned representatives of each party to this Consent Agreement certify that each is duly authorized by the party whom he or she represents to enter into the terms and

#### UNITED STATES ENVIRONMENTAL PROTECTION AGENCY: 1 2 MATTHEW 3 Digitally signed by MATTHEW SALAZAR Date: 2023.08.23 10:47:24 -07'00' 4 SALAZAR 8/23/2023 By: 5 MATT SALAZAR 6 Manager, Toxics Section 7 Enforcement and Compliance Assurance Division 8 U.S. Environmental Protection Agency, 9 Region IX 10 11 12 13

1	II. FINAL ORDER
2	IT IS HEREBY ORDERED that this Consent Agreement and Final Order (EPA Docket
4	No. <u>FIFRA-09-2023-0086</u> ) be entered and that Respondent shall pay a civil administrative
5	penalty in the amount of THREE HUNDRED NINETY-TWO THOUSAND DOLLARS
6	(\$392,000) in accordance with the terms of this Consent Agreement and Final Order.
7	
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9	
10	
11 12	Beatrice Wong Date Regional Judicial Officer
13	U.S. EPA, Region IX

# 1 **CERTIFICATE OF SERVICE** 2 I hereby certify that the foregoing Consent Agreement and Final Order in the matter of Grocery Outlet, Inc. (Docket No. FIFRA-09-2023-0086), was filed with the Regional Hearing Clerk, and 3 that a true and correct copy of the same was sent to the following parties via electronic mail, as 4 indicated below: 5 **RESPONDENT:** Luke D. Thompson Senior Vice President 6 General Counsel & Secretary 7 Grocery Outlet, Inc. 5650 Hollis Street 8 Emeryville, CA 94608 Legalsop@cfgo.com 9 **RESPONDENT COUNSEL:** David M. Meezan, Esq. 10 Kazmarek Mowrey Cloud Laseter LLP 11 Dmeezan@kmcllaw.com 12 **COMPLAINANT:** Margaret Alkon Assistant Regional Counsel 13 U.S. EPA – Region IX 75 Hawthorne Street 14 San Francisco, CA 94105 15 Alkon.Margaret@epa.gov 16 17 18 Ponly Tu Date 19 Regional Hearing Clerk U.S. EPA - Region IX 20 21 22 23 24 25 26 27

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CERTIFIATE OF SERVICE