



UNITED STATES  
 ENVIRONMENTAL PROTECTION AGENCY  
 REGION 6  
 DALLAS, TEXAS

FILED

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 EPA REGION VI

IN THE MATTER OF:	(	DOCKET NO. CAA-06-2014-3304
	(	
CITGO Refining and Chemicals	(	
Company L.P.	(	
	(	
	(	CONSENT AGREEMENT
	(	
CITGO East Plant Refinery	(	
Corpus Christi, Nueces County,	(	
State of Texas	(	
	(	
RESPONDENT	(	
	(	
	(	
	(	

A. PRELIMINARY STATEMENT

1. This is a consent agreement with the terms and conditions of settlement in an administrative penalty assessment proceeding brought under Section 113(d) of the Clean Air Act, (the "CAA" or "Act"), 42 U.S.C. § 7413(d). This consent agreement is made in accordance with Sections 22.18 and 22.34 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 and Respondent, having agreed that settlement of this action is in the public interest, consent to the entry of this Consent Agreement along with the corresponding Final Order hereinafter known together as "CAFO" without adjudication of any issues of law or fact herein, and Respondent agrees to comply with the terms of this CAFO.



3. The Regional Judicial Officer is authorized to ratify this CAFO which memorializes a settlement between Complainant and Respondent. 40 C.F.R. § 22.4(b) and 22.18(b).

B. CIVIL PENALTY AND PENALTY CONDITIONS OF SETTLEMENT

General

4. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2),

Respondent:

- a. admits the jurisdictional allegations of the Amended Complaint;
  - b. neither admits nor denies the specific factual allegations and conclusions of law contained in the Amended Complaint;
  - 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 set forth in the Amended Complaint; and
  - f. waives its rights to appeal the Final Order included in this CAFO.
5. For the purpose of this proceeding, Respondent:
- a. agrees that the Amended Complaint states a claim upon which relief may be granted against Respondent;
  - b. consents to personal jurisdiction in any action to enforce this CAFO in the United States District Court for the Southern District of Texas;
  - c. waives any right it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District

Court to compel compliance with this CAFO and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action.

d. Agrees that in any subsequent administrative or judicial proceeding initiated by the Complainant or the United States for injunctive relief, civil penalties, or other relief relating to this Facility, Respondent shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, claim splitting, or other defenses based on any contention that the claims raised by the Complainant or the United States were or should have been brought in the instant case, except with respect to claims that have been specifically resolved pursuant to this CAFO.

Penalty Assessment and Collection

6. Upon consideration of the entire record, including the Violations alleged in the Amended Complaint, which are hereby adopted and made a part hereof, and upon consideration of the size of the business, the economic impact of the penalty on the business, the Respondent's full compliance history and good faith efforts to comply, the duration of the violation, payment by the violator of penalties previously assessed for the same violation, the economic benefit of noncompliance, the seriousness of the violation, and other factors as justice may require, EPA has assessed a civil penalty in the amount of \$266,369.60 ("EPA Penalty"). The EPA Penalty has been determined in accordance with the Section 113 of the Act, 42, U.S.C. § 7413 and at no time exceeded EPA's statutory authority.

7. Respondent agrees to:

a. pay the EPA Penalty within 30 calendar days of the Effective Date of this  
CAFO

b. pay the EPA Penalty by cashier's check, certified check, or wire transfer  
made payable to "Treasurer, United States of America, EPA – Region 6."

Payment shall be remitted in one of five (5) ways: (1) regular U.S. Postal  
Service mail including certified mail; (2) overnight mail; (3) wire transfer;  
(4) Automated Clearinghouse for receiving US currency; or (5) On Line  
Payment. For regular U.S. Postal Service mail, U.S. Postal Service  
certified mail, or U.S. Postal Service express mail, payment should be  
remitted to:

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

For overnight mail (non-U.S. Postal Service, e.g. FedEx), payment should be remitted to:

U.S. Bank  
Government Lockbox 979077  
U.S. EPA Fines & Penalties  
1005 Convention Plaza  
SL-MO-C2-GL  
St. Louis, MO 63101

Contact: Natalie Pearson  
(314) 418-4087

For wire transfer, payment should be remitted to:

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

Consent Agreement  
CITGO Refining and Chemicals Company L.P.  
Docket Number CAA-06-2014-3304

Field Tag 4200 of the Fedwire message should read:  
"D 68010727 Environmental Protection Agency"

For Automated Clearinghouse (also known as REX or remittance express):

U.S. Treasury REX / Cashlink ACH Receiver  
ABA: 051036706  
Account Number: 310006, Environmental Protection Agency  
CTX Format Transaction Code 22 – checking  
Physical location of U.S. Treasury facility:  
5700 Rivertech Court  
Riverdale, MD 20737

Contact – Jesse White (301) 887-6548

For On Line Payment:

<https://www.pay.gov/paygov/>  
Enter sfo 1.1 in search field  
Open form and complete required fields.

PLEASE NOTE: The docket number CAA-06-2014-3304 should be clearly typed on the check to ensure proper credit. The payment shall also be accompanied by a transmittal letter that shall reference Respondent's name and address, the case name, and docket number CAA-06-2014-3304 . Respondent's adherence to this request will ensure proper credit is given when penalties are received for the Region. [Respondent] shall also send a simultaneous notice of such payment, including a copy of the money order, or check, and the transmittal letter to the following addresses:

Dave Hensley  
Enforcement Officer (6EN-AS)  
U.S. EPA Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

And

Lorena Vaughn  
Region 6 Hearing Clerk (6RC-D)U.S. EPA Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

8. Respondent agrees to pay the following on any overdue EPA Penalty:

- a. Interest. Pursuant to Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5), any unpaid portion of a civil penalty must bear interest at the rates established pursuant to 26 U.S.C. § 6621(a)(2).
- b. Nonpayment Penalty. On any portion of a civil penalty more than 90 calendar days delinquent, Respondent must pay a nonpayment penalty, pursuant to Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5), which shall accrue from the date the penalty payment became delinquent, and which shall be in addition to the interest which accrues under subparagraph a. of this paragraph.

9. Enforcement and Collection Expenses Respondent shall pay a charge to cover the cost of processing and handling any delinquent penalty claim, pursuant to 42 U.S.C. § 7413(d)(5), including but not limited to attorneys' fees incurred by the United States for collection proceedings.

10. 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, a collection agency, or to the Department of Justice for filing of a collection action in the appropriate United States District Court (in which the validity, amount, and appropriateness of the assessed penalty and of this CAFO shall not be subject to review) to secure payment of the debt, which may include the original penalty, enforcement and collection expenses, nonpayment penalty and interest, 42 U.S.C. § 7413(d)(5) and 40 C.F.R. §§ 13.13, 13.14, and 13.33;

- b. collect the above-referenced 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, 40 C.F.R. Part 13, Subparts C and H; and
- 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, 40 C.F.R. § 13.17.

Penalty Conditions of Settlement

11. The Respondent hereby certifies that as of the date of the execution of this CAFO, the facility is now, to the best of its knowledge, in compliance with all applicable requirements of 40 CFR Part 68 pertaining to the alleged violations set forth in the Amended Complaint.

12. As a Penalty Condition of Settlement, Respondent agrees to the performance of a Supplemental Environmental Project (SEP) as follows:

- a. Respondent has selected the Corpus Christi Fire Department, Corpus Christi, Texas ("CCFD") to receive the SEP. Respondent will provide the following activities, services or products to CCFD:
  - 1. Facilitate, at its sole expense, the acquisition for the CCFD of the first responder equipment identified in Exhibit "A;"
  - 2. Confirm that CCFD has received from the vendor the first responder equipment identified in Exhibit "A" from the respective vendors.

b. Respondent further certifies to the truth and accuracy of each of the following:

1. That all cost information provided to the EPA in connection with the EPA's approval of the SEP is complete and accurate and that Defendant in good faith estimates that the cost to implement the SEP is no less than \$117,038;
2. That, as of the date of its execution of this CAFO, Respondent is not required to perform or develop the SEP by any federal, state, or local law or regulation and is not required to perform or develop the SEP by agreement, grant, or as injunctive relief awarded in any other action in any other forum;
3. That the SEP is not a project that the Respondent was planning or intending to construct, perform, or implement other than in settlement of the claims resolved in this CAFO.
4. That Respondent has not received and will not receive credit for the SEP in any other enforcement action.
5. That Respondent will not receive reimbursement for any portion of the SEP from another person or entity.
6. That for federal income tax purposes, Respondent agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing the SEP;



7. That Respondent is not a party to any open federal financial assistance transaction that is funding or could fund the same activity as the SEP described in paragraph 12.a;
  8. Respondent certifies that it has inquired of the Corpus Christ Fire Department whether it is a current recipient of any federal grant that is funding or could fund the same activity as the SEP described in paragraph 12.a, and has been informed by the Corpus Christi Fire Department that it is not a party to such a transaction.
- c. Any public statement, oral or written, in print, film, or other media, made by Respondent making reference to the SEP under this CAFO shall include the following language: "This project was undertaken in connection with the settlement of an administrative enforcement action taken by the U.S. Environmental Protection Agency to enforce federal laws."

13. Satisfactory completion of the SEP is defined as Respondent having done the activities identified in paragraph 12.a. by two-hundred and seventy (270) days of the effective date of this CAFO;

14. If Respondent fails to satisfactorily complete the SEP by 270 days of the effective date of this CAFO, Respondent agrees to lump-sum stipulated penalties of at least 150% SEP cost, minus documented amounts already expended by Respondent in pursuit of the SEP, payable no later than 30 days from deadline according to the payment instructions in this CAFO. In the event that circumstances outside Respondent's control (e.g. shipping delays, discontinuation or unavailability of equipment subject to the SEP) will delay or make

impossible the timely performance of some or all of the SEP, Respondent will provide notice to EPA within fifteen (15) calendar days of Respondent's actual notice of such circumstances and may, at its election, propose a reasonable alternative schedule and/or substitution of equivalent equipment to EPA to be satisfactorily completed in lieu of payment of stipulated penalties. EPA may, in its discretion, accept Respondent's proposal, which acceptance shall not be unreasonably withheld.

15. The EPA may, in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due under this CAFO.

16. At such time as the Respondent believes that it has satisfactorily completed the SEP, Respondent agrees to submit a final SEP completion report. The report shall provide evidence of SEP completion that will include vendor invoices or receipts, correspondence from the SEP recipient, and document all SEP expenditures. The report will: (1) quantify the benefits associated with the project; (2) set forth how the benefits were measured or estimated, or (3) explain why it is infeasible to quantify any benefits associated with the project. The final SEP report will be signed, and Respondent represents that the signing representative will be fully authorized by Respondent to certify that the terms and conditions of this CAFO have been met. The certification should include the following statement:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is, to the best of my knowledge, true, accurate, and complete. I am aware that there are significant penalties for knowingly submitting false information, including the possibility of fines and imprisonment.

The certification required above shall be sent to:

Dave Hensley  
Enforcement Officer (6EN-AS)  
Air Enforcement Section  
Compliance Assurance and Enforcement Division  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, Texas 75202-2733  
Email: hensley.dave@epa.gov

EPA has 90 days to respond with questions or disagreement that the conditions of the CAFO have been satisfied. Respondent agrees that the time period from the Effective Date of this CAFO until all the conditions specified in Paragraphs 12 and 13 are completed shall not be included in computing the running of any statute of limitations potentially applicable to any action brought by Complainant on any claims set forth in the Amended Complaint. Respondent shall not assert, plead, or raise in any fashion, whether by answer, motion or otherwise, any defense of laches, estoppel, or waiver, or other similar equitable defense based on the running of any statute of limitations or the passage of time during the above described time period in any action brought on the claims set forth in the Amended Complaint.

17. The provisions of this CAFO shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors and assigns. From the Effective Date of this Agreement until the end of the Tolling Period, as set out in Paragraph 16, Respondent must give written notice and a copy of this CAFO to any successors in interest prior to transfer of ownership or control of any portion or interest in the "facility" as defined in the Amended Complaint. Simultaneously with such notice, Respondent shall provide written notice of such transfer, assignment, or delegation to the EPA. In the event of any such transfer, assignment or delegation, Respondent shall

continue to be bound by the obligations or liabilities of this CAFO until the EPA has provided written approval.

18. By signing this CAFO, Respondent acknowledges that this CAFO will be available to the public and agrees that this CAFO does not contain any confidential business information.

19. By signing this CAFO, the undersigned representative of 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 legal capacity to bind the party he or she represents to this CAFO.

20. By signing this CAFO, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and is, truthful, accurate, and complete for each 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.

21. Respondent specifically waives its right to seek reimbursement of its costs and attorney's fees under 5 U.S.C. § 504 and 40 C.F.R. Part 17. Except as qualified by Paragraph 22, each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

#### C. EFFECT OF CONSENT AGREEMENT AND FINAL ORDER

22. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this CAFO resolves only Respondent's liability for federal civil penalties for the violations and facts specifically alleged in the Amended Complaint.

23. Penalties paid pursuant to this CAFO shall not be deductible for purposes of federal taxes.

24. This CAFO constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.

25. 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.

26. Any violation of the included Final Order may result in a civil judicial action for an injunction or civil penalties of up to \$37,500 per day of violation, or both, as provided in Section 113(b)(2) of the Act, 42 U.S.C. § 7413(b)(2), as well as criminal sanctions as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c).<sup>1</sup> The EPA may use any information submitted under this CAFO in an administrative, civil judicial, or criminal action.

27. Nothing in this CAFO shall relieve Respondent of the duty to comply with all applicable provisions of the Act 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 a determination of, any issue related to any federal, state, or local permit.

28. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.

#### D. EFFECTIVE DATE

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<sup>1</sup> However, for the purposes of this paragraph, issues relating to satisfactory completion of the SEP, as detailed in paragraphs 12 and 13, that result in the timely payment of stipulated penalties under paragraph 14 shall be deemed to have been resolved and not subject to this paragraph 26.

Consent Agreement  
*CITGO Refining and Chemicals Company L.P.*  
Docket Number CAA-06-2014-3304

29. Respondent and Complainant agree to the issuance of the included Final Order.

Upon filing the EPA will transmit a copy of the filed CAFO to the Respondent. This CAFO shall become effective after execution of the Final Order by the Regional Judicial Officer on the date of filing with the Hearing Clerk.

Consent Agreement  
*CITGO Refining and Chemicals Company L.P.*  
Docket Number CAA-06-2014-3304

The foregoing Consent Agreement In the Matter of CITGO Refining and Chemicals Company L.P., Docket No. CAA-06-2014-3304, is Hereby Stipulated, Agreed, and Approved for Entry.

FOR RESPONDENT:

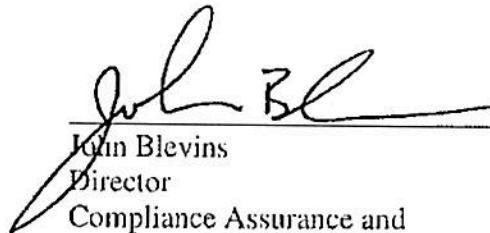
Date: 5-12-15



Doyle Dommert  
Vice President and General Manager  
CITGO Refining and Chemicals Co. LP  
1802 Nueces Bay  
Corpus Christi, Texas 78407

FOR COMPLAINANT:

Date: 5.18.15



John Blevins  
Director  
Compliance Assurance and  
Enforcement Division  
U.S. EPA, Region 6  
1445 Ross Avenue  
Dallas, Texas 75202

Consent Agreement  
CITGO Refining and Chemicals Company L.P.  
Docket Number CAA-06-2014-3304

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
DALLAS, TEXAS

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IN THE MATTER OF:	(	DOCKET NO. CAA-06-2014-3304
	(	
CITGO Refining and Chemicals Company L.P.	(	
	(	
	(	FINAL ORDER
CITGO East Plant Refinery	(	
Corpus Christi, Nueces County,	(	
State of Texas	(	
	(	
RESPONDENT	(	
	(	

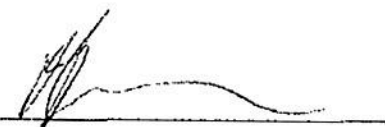
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**FINAL ORDER**

Pursuant to Section 113(d) of the Clean Air Act ("CAA" or the "Act"), 42 U.S.C. §7413(d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22, the attached Consent Agreement resolving this matter is incorporated by reference into this Final Order and is hereby ratified.

CITGO Refining and Chemicals Company L.P. is ORDERED to comply with all terms of the Consent Agreement. In accordance with 40 C.F.R. §22.31(b), this Final Order shall become effective upon filing with the Regional Hearing Clerk.

Dated 5/21/15

  
Regional Judicial Officer  
U.S. EPA, Region 6



Consent Agreement  
CITGO Refining and Chemicals Company L.P.  
Docket Number CAA-06-2014-3304

CERTIFICATE OF SERVICE

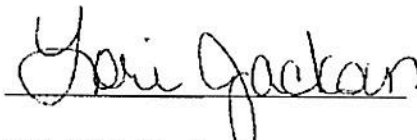
I hereby certify that on the 21st day of May, 2015, the original and one copy of the foregoing Consent Agreement and Final Order was hand delivered to the Regional Hearing Clerk, U.S. EPA - Region 6, 1445 Ross Avenue, Suite 1200, Dallas, Texas 75202-2733, and a true and correct copy was delivered to the following individual(s) by the method indicated below:

CERTIFIED MAIL - RETURN RECEIPT REQUESTED : 7004 1160 0003 0354 3627

Jean M. Flores  
Guida, Slavich & Flores, P.C.  
750 N. St. Paul Street, Suite 200  
Dallas, Texas 75230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED : 7014 0150 0000 2453 5188

CT CORP SYSTEM  
1999 Bryan St., Ste. 900  
Dallas, TX 75201-3136



U.S. EPA, Region 6  
Dallas, Texas



## EXHIBIT "A"

Equipment	Cost
FirstDefender RMX Handheld Chemical Identification Analyzer	\$35,000
ProRAE Guardian Cloudserver software	\$13,523
AutoRAE 2 starter set with additional cradle	\$3,888
AutoRAE Cradles	\$7,440
MultiRAE Pro	\$11,614
Leak Remediation Equipment	\$5,738
MultiRAE sensors	\$3,835
UAV with Infrared Video Capabilities	\$36,000
<b>TOTAL</b>	<b>\$117,038</b>