

FILED

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6

1201 Elm Street, Suite 500
Dallas, Texas 75270

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REGIONAL HEARING CLERK
EPA REGION VI

In the Matter of

O4 Global Trading USA, LLC,

Respondent.

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Docket No. FIFRA-06-2022-0407

CONSENT AGREEMENT AND FINAL ORDER

Preliminary Statement

The U.S. Environmental Protection Agency, Region 6 (“EPA” or “Complainant”), and O4 Global Trading USA, LLC (“Respondent”) have agreed to a settlement of this action before the 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 and the Revocation/Termination or Suspension of Permits, 40 C.F.R. §§ 22.13(b) and 22.18(b)(2).

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 serves as notice that the EPA has reason to believe that Respondent has violated Section 12 of FIFRA, 7 U.S.C. § 136j.

Parties

3. Complainant is the Director of Enforcement and Compliance Assurance Division of the EPA, Region 6, as duly delegated by the Administrator of the EPA and the Regional Administrator, EPA, Region 6.

4. Respondent is O4 Global Trading USA, LLC, a company conducting business in the state of Texas.

Statutory and Regulatory Background

5. Congress enacted FIFRA, 7 U.S.C. 136 et. seq., 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.

6. Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A), states that it shall be unlawful for any person to distribute or sell any pesticide that is not registered under Section 3 of FIFRA, 7 U.S.C. § 136a, or whose registration has been cancelled or suspended.

7. Pursuant to the regulation at 40 C.F.R. § 152.15, in relevant part, no person may distribute or sell any pesticide product that is not registered under the Act, except as provided in 40 C.F.R. §§ 152.20, 152.25, and 152.30. A pesticide is any substance (or mixture of substances) intended for a pesticidal purpose, i.e., use for the purpose of preventing, destroying, repelling, or mitigating any pest or use as a plant regulator, defoliant, or desiccant. A substance is considered to be intended for a pesticidal purpose, and thus to be a pesticide requiring registration, if the person who distributes or sells the substance claims, states, or implies (by labeling or otherwise) that the substance (either by itself or in combination with any other substance) can or should be used as a pesticide.

8. Section 12(a)(2)(N) of FIFRA, 7 U.S.C. § 136j(a)(2)(N), states that it shall be unlawful for any person who is a registrant, wholesaler, dealer, retailer, or other distributor to fail to file reports required by FIFRA.

9. Section 17(c) of FIFRA, 7 U.S.C. § 136o(c), entitled Importation of Pesticides and Devices, states in pertinent part that the Secretary of the Treasury shall notify the Administrator of the arrival of pesticides and devices and shall deliver to the Administrator, upon the Administrator's request, samples of pesticides or devices which are being imported to the United States.

10. Section 17(e) of FIFRA, 7 U.S.C. § 136o(e), directs the Secretary of Treasury, in consultation with the EPA Administrator, to prescribe regulations for the enforcement of subsection (c) of Section 17, 7 U.S.C. § 136o(c).

11. Pursuant to Section 17(e) of FIFRA, 7 U.S.C. § 136o(e), the U.S. Customs and Border Protection Bureau of the U.S. Department of Homeland Security and the U.S. Department of Treasury, issued the regulations found at 19 C.F.R. §§ 12.110 through 12.117.

12. The regulation at 19 C.F.R. § 12.110 specifies that, except as otherwise provided, the terms used in 19 C.F.R. §§ 12.110 through 12.117 shall have the meanings set forth for those terms in FIFRA.

13. Pursuant to the regulation at 19 C.F.R. § 12.112(a), an importer or the importer's agent desiring to import pesticides or devices into the United States must submit to the Administrator, prior to the arrival of the shipment in the United States, a Notice of Arrival of Pesticides and Devices (Notice of Arrival) on EPA Form 3540-1.

14. Section 14(a)(1) of FIFRA, 7 U.S.C. § 136l(a)(1), authorizes a civil penalty of not more than \$5,000 for each offense. The Debt Collection Improvement Act of 1996, 31 U.S.C.

§ 3701, as amended, and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, 28 U.S.C. § 2461, and implementing regulations at 40 C.F.R. Part 19, increased these statutory maximum penalties to \$21,805 for violations that occur after November 2, 2015, and for which penalties are assessed on or after January 12, 2022.

Definitions

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

16. Section 2(t) of FIFRA, 7 U.S.C. § 136(t), defines “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).

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

18. Section 2(mm) of FIFRA, 7 U.S.C. § 136(mm), defines “antimicrobial pesticide” to mean a pesticide that is intended to disinfect, sanitize, reduce, or mitigate growth or development of microbiological organisms; or protect inanimate objects, industrial processes or systems, surfaces, water, or other chemical substances from contamination, fouling, or deterioration caused by bacteria, viruses, fungi, protozoa, algae, or slime.

19. Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg), defines “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.

20. Section 2(p)(1) of FIFRA, 7 U.S.C. § 136(p)(1) defines “label” to mean the written, printed, or graphic matter on, or attached to, the pesticide or device of any of its containers or wrappers.

21. Section 2(p)(2) of FIFRA, 7 U.S.C. § 136(p)(2) defines “labeling” 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.

EPA Findings of Fact and Conclusions of Law

22. Respondent is, and at all times referred to herein was, a “person” as defined by Section 2(s) of FIFRA, 7 U.S.C. § 136(s).

23. Respondent owns and operates an international company that specializes in the distribution or sale of cleaning and disinfectant products with its U.S. headquarters located at: 12222 Merit Drive, Suite 1900, Dallas, Texas 75251 (the “Facility”).

24. On September 18, 2020, the EPA Region 6 issued a denial of entry notification (“Requested Action to Be Taken Regarding Entry Numbers WS7-01140832, WS7-01140840, WS7-01140360 and WS7-01140477”) to the Bureau of Customs and Border Protection regarding the import of the unregistered disinfectant product “Only For Multi-Purpose Antibacterial Cleaner”. On or about that time, the EPA also received information about the potential distribution or sale of unregistered pesticides by Respondent through one or more retail establishments in the Houston, Texas area.

25. On April 22, 2021, the EPA conducted a review of Respondent's website (<http://www.o4gt.com/>) and social media pages.

26. On September 17, 2021, the EPA conducted a for-cause inspection ("Inspection") at the Facility to determine Respondent's compliance with FIFRA and the federal regulations promulgated thereunder, pursuant to Section 9 of FIFRA, 7 U.S.C. § 136g.

27. At the time of the Inspection, Respondent provided information to the EPA concerning the distribution or sale of the following five (5) unregistered products ("the Products"):

- a. Only For Multi-Purpose Antibacterial Cleaner,
- b. Only For Bathroom Antibacterial Cleaner,
- c. Only For Gym Antibacterial Wipes,
- d. Only For Toilet Seat Antibacterial Wipes, and
- e. Only For Hands Antibacterial Wipes.

28. Records provided by Respondent indicate that the Products were produced in China and/or Mexico and imported into the United States for distribution or sale.

29. Records provided by Respondent indicate that at least twenty-nine (29) incidents of distribution or sale of the Products occurred in the United States between September 28, 2020, and March 1, 2021.

EPA Findings of Violation

30. The facts stated in the EPA Findings of Fact and Conclusions of Law above are herein incorporated.

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

Counts 1 - 29

32. At the time of their distribution or sale, Respondent's Products made claims consistent with antimicrobial pesticides as defined by Section 2(mm) of FIFRA, 7 U.S.C. § 136(mm), on the labels and/or labeling, including the Only For company website, social media webpages, and other forms of product advertising.

33. Examples of pesticidal claims found on labeling of the Products include:

- "Broad spectrum product against bacteria, germs and viruses such as coronavirus" (Only For Multi-Purpose Antibacterial Cleaner)
- "Kill 99.9% of bacteria and germs in your bathroom and multiple other surfaces" (Only For Bathroom Antibacterial Cleaner)
- "At the gym, or at home, make sure to disinfect your gear with our Only For Gym Wipes (Only For Gym Antibacterial Wipes)
- "Cleans and disinfects – antibacterial" (Only For Toilet Seat Antibacterial Wipes)
- "Easily clean any object" (Only For Hands Antibacterial Wipes)

34. Because Respondent claimed by labeling that the Products can or should be used as an antimicrobial pesticide, the Products are intended for a pesticidal purpose and require registration pursuant to Section 3 of FIFRA, 7 U.S.C. § 136a.

35. At the time of distribution or sale, the Products were not registered pursuant to Section 3 of FIFRA, 7 U.S.C. § 136a.

36. Distribution or sale of a pesticide that is not registered under Section 3 of FIFRA, 7 U.S.C. § 136a, is a violation of Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A).

Counts 30 - 35

37. Respondent failed to file a Notice of Arrival prior to the importation of the unregistered pesticides into the United States.

38. Respondent's importation of pesticides prior to submitting to the EPA a Notice of Arrival as required by 19 C.F.R. § 12.112(a), pursuant to Section 17 of FIFRA, 7 U.S.C. § 136o, is a violation of Section 12(a)(2)(N) of FIFRA, 7 U.S.C. § 136j(a)(2)(N).

CONSENT AGREEMENT

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

- a. admits the jurisdictional allegations set forth herein;
- b. neither admits nor denies the specific factual allegations stated herein;
- c. consents to the assessment of a civil penalty, as stated herein;
- d. consents to the issuance of any specified compliance or corrective action order;
- e. consents to any conditions specified herein;
- f. consents to any stated Permit Action;
- g. waives any right to contest the allegations set forth herein; and
- h. waives its right to appeal the Final Order accompanying this Consent Agreement.

40. Respondent consents to the issuance of this Consent Agreement and Final Order and consent for the purposes of settlement to the payment of the civil penalty specified herein.

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

Penalty Payment

42. Pursuant to the authority granted in Section 14(a) of FIFRA, and upon consideration of the entire record, including consideration of: (1) the effect upon Respondent's ability to continue in business; (2) the gravity of the alleged violation; (3) Respondent's ability to pay the proposed civil penalty; and (4) EPA's "Enforcement Response Policy for the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)" dated July 2, 1990, Respondent agrees that, in settlement of the claims alleged herein, Respondent shall pay a civil penalty of twenty thousand dollars (\$20,000.00), as set forth below.

43. Respondent shall pay the penalty in four payments of five thousand dollars (\$5,000). Within sixty (60) days of the effective date of this CAFO, Respondent shall make the first payment, with subsequent payments due on or before November 30, 2022, February 28, 2023, and May 31, 2023. Such payment shall identify Respondent by name and docket number and shall be by certified or cashier's check made payable to the "United States Treasury" and sent to:

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

or by alternate payment method described at <http://www.epa.gov/financial/makepayment>.

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

Lorena S. Vaughn
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 6
1201 Elm Street, Suite 500 (ORC)
Dallas, Texas 75270-2102
vaughn.lorena@epa.gov; and

Justin Mullenix
Enforcement and Compliance Assurance Division
Waste Enforcement Branch
U.S. Environmental Protection Agency, Region 6
1201 Elm Street, Suite 500 (ECDST)
Dallas, Texas 75270-2101
Mullenix.Justin@epa.gov

45. Respondent understands that its failure to timely pay any portion of the civil penalty 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 begin to accrue on a civil or stipulated penalty from the date of delinquency until such civil or stipulated penalty and any accrued interest are paid in full. 31 C.F.R. § 901.9(b)(1). Interest will be assessed at a rate of the United States Treasury Tax and loan rates in accordance with 31 U.S.C. § 3717. Additionally, a charge will be assessed to cover the costs of debt collection including processing and handling costs, and a non-payment penalty charge of six percent (6%) per year compounded annually will be assessed on any portion of the debt which remains delinquent more than ninety (90) days after payment is due. 31 U.S.C. § 3717(e)(2).

Effect of Settlement and Reservation of Rights

46. Full payment of the penalty proposed in this Consent Agreement shall only resolve Respondent's liability for federal civil penalties for the violations alleged herein. Complainant reserves the right to take any enforcement action with respect to any other violations of the FIFRA or any other applicable law.

47. The effect of settlement described in the immediately preceding paragraph is conditioned upon the accuracy of Respondents' representations to the EPA, as memorialized in paragraph directly below.

48. Respondent certifies by the signing of this Consent Agreement that it is presently in compliance with all requirements of FIFRA and its implementing regulations.

49. Full payment of the penalty proposed in this Consent Agreement shall not in any case affect the right of the Agency or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Consent Agreement and Final Order does not waive, extinguish or otherwise affect Respondent's obligation to comply with all applicable provisions of the FIFRA and regulations promulgated thereunder.

50. Complainant reserves the right to enforce the terms and conditions of this Consent Agreement and Final Order.

General Provisions

51. By signing this Consent Agreement, the undersigned representative of Respondent certifies that he or she is fully authorized to execute and enter into the terms and conditions of this Consent Agreement and has the legal capacity to bind the party it represents to this Consent Agreement.

52. This Consent Agreement shall not dispose of the proceeding without a final order from the Regional Judicial Officer or Regional Administrator ratifying the terms of this Consent Agreement. This Consent Agreement and Final Order shall be effective upon the filing of the Final Order by the Regional Hearing Clerk for EPA, Region 6. Unless otherwise stated, all time periods stated herein shall be calculated in calendar days from such date.

53. The penalty specified herein shall represent civil penalties assessed by EPA and shall not be deductible for purposes of Federal, State and local taxes.

54. This Consent Agreement and Final Order shall apply to and be binding upon Respondent and Respondent's agents, successors and/or assigns. Respondent shall ensure that all

contractors, employees, consultants, firms, or other persons or entities acting for Respondent with respect to matters included herein comply with the terms of this Consent Agreement and Final Order.

55. The EPA and Respondent agree to the use of electronic signatures for this matter pursuant to 40 C.F.R. § 22.6. The EPA and Respondent further agree to electronic service of this Consent Agreement and Final Order by email to the following:

To EPA: *george.elizabeth.a@epa.gov*

To Respondent: *ebensimon@o4gt.com*

RESPONDENT:
O4 Global Trading USA, LLC

Date: 07/04/2022



Signature

Leon Hamui

Name

CFO

Title

COMPLAINANT:
U.S. ENVIRONMENTAL PROTECTION AGENCY

Date: _____

**CHERYL
SEAGER**

Digitally signed by CHERYL
SEAGER
Date: 2022.07.05 16:19:25 -05'00'

Cheryl T. Seager
Director
Enforcement
and Compliance Assurance Division
U.S. EPA, Region 6

FINAL ORDER

Pursuant to Section 14(a) of FIFRA, 7 U.S.C. § 136l(a), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22, the foregoing Consent Agreement resolving this matter is hereby ratified and incorporated by reference into this Final Order.

Respondent is ORDERED to comply with all of the terms of the Consent Agreement. In accordance with 40 C.F.R. § 22.31(b), the effective date of the foregoing Consent Agreement and this Final Order is the date on which this Final Order is filed with the Regional Hearing Clerk.

This Final Order shall resolve only those causes of action alleged in the Consent Agreement. Nothing in this Final Order shall be construed to waive, extinguish, or otherwise affect Respondents' (or its officers, agents, servants, employees, successors, or assigns) obligation to comply with all applicable federal, state, and local statutes and regulations, including the regulations that were the subject of this action.

IT IS SO ORDERED.

THOMAS
RUCKI

Thomas Rucki
Regional Judicial Officer

Digitally signed by THOMAS RUCKI
DN: c=US, o=U.S. Government,
ou=Environmental Protection Agency,
cn=THOMAS RUCKI,
0.9.2342.19200300.100.1.1+68001003655804
Date: 2022.07.06 12:12:38 -0400

Date

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Consent Agreement and Final Order was electronically delivered to the Regional Hearing Clerk, U.S. EPA, Region 6, 1201 Elm Street, Dallas, Texas 75270-2102, and that a true and correct copy was sent this day in the following manner to the addressees:

Copy via Email to Complainant:

george.elizabeth.a@epa.gov

Copy via Email to Respondent:

ebensimon@o4gt.com

ELIZABETH
GEORGE

Digitally signed by ELIZABETH
GEORGE
Date: 2022.07.05 16:22:41 -05'00'

Signed
Office of Regional Counsel
U.S. EPA, Region 6