



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

SEP 30 2016

REPLY TO THE ATTENTION OF

**CERTIFIED MAIL 7009 1680 0000 7648 7160**  
**RETURN RECEIPT REQUESTED**

Mr. Harley Drays  
President  
Electronic Components and Services, Inc.  
103 Industrial Drive  
Fox Lake, Wisconsin 53933

Re: Electronic Components and Services, Inc.  
Expedited Settlement Agreement  
Docket No.: **RCRA-05-2016-0019**

Dear Mr. Drays:

Attached please find a copy of a fully executed Expedited Settlement Agreement (ESA) in resolution of the above-referenced case. We filed the original with the Regional Hearing Clerk on September 30, 2016.

Attached is a *Notice of Securities and Exchange Commission Registrant's Duty to Disclose Environmental Legal Proceedings*. Thank you for your cooperation in resolving this matter.

If you have any questions regarding this matter, please contact Cindy Dabner, of my staff, at (312) 886-5890 or [dabner.cindy@epa.gov](mailto:dabner.cindy@epa.gov).

Sincerely,

A handwritten signature in cursive script that reads "Gary J. Victorine".

Gary J. Victorine, Chief  
RCRA Branch

Attachments

cc: Michael Ellenbecker, (w/ESA) Wisconsin Department of Natural Resources (WDNR)  
([michael.ellenbecker@wisconsin.gov](mailto:michael.ellenbecker@wisconsin.gov))  
Steven Sisbach, (w/ESA) WDNR ([steven.sisbach@wisconsin.gov](mailto:steven.sisbach@wisconsin.gov))

## **NOTICE OF SECURITIES AND EXCHANGE COMMISSION REGISTRANTS' DUTY TO DISCLOSE ENVIRONMENTAL LEGAL PROCEEDINGS**

Securities and Exchange Commission regulations require companies registered with the SEC (e.g., publicly traded companies) to disclose, on at least a quarterly basis, the existence of certain administrative or judicial proceedings taken against them arising under Federal, State or local provisions that have the primary purpose of protecting the environment. Instruction 5 to Item 103 of the SEC's Regulation S-K (17 CFR 229.103) requires disclosure of these environmental legal proceedings. For those SEC registrants that use the SEC's "small business issuer" reporting system, Instructions 1-4 to Item 103 of the SEC's Regulation S-B (17 CFR 228.103) requires disclosure of these environmental legal proceedings.

If you are an SEC registrant, you have a duty to disclose the existence of pending or known to be contemplated environmental legal proceedings that meet any of the following criteria (17 CFR 229.103(5)(A)-(C)):

- A. Such proceeding is material to the business or financial condition of the registrant;
- B. Such proceeding involves primarily a claim for damages, or involves potential monetary sanctions, capital expenditures, deferred charges or charges to income and the amount involved, exclusive of interest and costs, exceeds 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis; or
- C. A governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the registrant reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000; provided, however, that such proceedings which are similar in nature may be grouped and described generically.

Specific information regarding the environmental legal proceedings that must be disclosed is set forth in Item 103 of Regulation S-K or, for registrants using the "small business issuer" reporting system, Item 103(a)-(b) of Regulation S-B. If disclosure is required, it must briefly describe the proceeding, "including the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceedings and the relief sought."

You have been identified as a party to an environmental legal proceeding to which the United States government is, or was, a party. If you are an SEC registrant, this environmental legal proceeding may trigger, or may already have triggered, the disclosure obligation under the SEC regulations described above.

This notice is being provided to inform you of SEC registrants' duty to disclose any relevant environmental legal proceedings to the SEC. This notice does not create, modify or interpret any existing legal obligations, it is not intended to be an exhaustive description of the legally applicable requirements and it is not a substitute for regulations published in the Code of Federal Regulations. This notice has been issued to you for information purposes only. No determination of the applicability of this reporting requirement to your company has been made by any governmental entity. You should seek competent counsel in determining the applicability of these and other SEC requirements to the environmental legal proceeding at issue, as well as any other proceedings known to be contemplated by governmental authorities.

If you have any questions about the SEC's environmental disclosure requirements, please contact the SEC Office of the Special Senior Counsel for Disclosure Operations at (202) 942-1888.

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 5



IN THE MATTER OF: ) Docket No.  
)  
ELECTRONIC COMPONENTS AND )  
SERVICES, INC. ) **RCRA-05-2016-0019**  
FOX LAKE, WISCONSIN )  
EPA ID Number WID 988 598 421, )  
Respondent. ) **EXPEDITED SETTLEMENT**  
 ) **AGREEMENT AND**  
 ) **FINAL ORDER**

**EXPEDITED SETTLEMENT AGREEMENT AND FINAL ORDER**

1. Electronic Components and Services, Inc. (“Respondent”) is a corporation doing business in the state of Wisconsin and is the owner or operator of the facility at 103 Industrial Drive, Fox Lake, Wisconsin (the “Facility”).
2. The U.S. Environmental Protection Agency inspected Respondent’s Facility on August 12, 2014 (the “inspection”).
3. Pursuant to the inspection, EPA alleges that Respondent failed to do the following: label and keep closed satellite accumulation area (“SAA”) containers; label and keep closed containers stored in less-than-180-day accumulation storage areas; provide the date of accumulation for containers stored in the less-than-180-day accumulation storage; conduct weekly inspections of containers stored in less-than-180-day storage areas; maintain records of hazardous waste determinations on-site; retain land disposal restriction documents on-site; mark containers accumulating universal waste; and demonstrate the length of time universal waste was accumulated on-site, pursuant to the Resource Conservation and Recovery Act (“RCRA”) 42 U.S.C. § 6922(a)(6), and the EPA approved and authorized Wisconsin hazardous waste management program, as set forth at Wisconsin Administrative Code (“WAC”) chapters NR 600-699.
4. Hazardous Waste Labels for Satellite Accumulation
  - a. Under WAC § 662.192(4)(a)(2) and 662.034(3)(a)(2) [40 C.F.R. § 262.34(c)(1)(ii)], Respondent is required to mark containers either with the words “Hazardous Waste” or with other words to identify the contents of the containers at or near the point of generation.
  - b. During the EPA inspection, the inspector observed one unmarked 55-gallon drum storing hazardous waste in the Chemical Storage Room, one unmarked 5-gallon container storing hazardous waste in the Chemical Storage Room, one opened 5-gallon container in the Pre-Treatment Room, one unmarked 55-gallon drum storing hazardous waste in the Etching Tin Stripping Room, and one unmarked 5-gallon

container storing solvent contaminated wipes in the area located outside of the Quality Control Room.

- c. Respondent's November 23, 2015 response to the EPA Notice of Violation letter ("NOV response") documented that all but the 5-gallon containers have been properly labeled.
- d. Within 30 days of the effective date of this Expedited Settlement Agreement ("Agreement"), Respondent must document to EPA (e.g., by photographs and certification) that the 5-gallon SAA containers are properly marked with the words "Hazardous Waste" at the facility.

5. Container Management for Satellite Accumulation

- a. Under WAC § 662.192(4)(a)(1), 665.0173(1), and 662.034(3)(a)(1) [40 C.F.R. § 265.173(a) and 262.34(c)(1)(i)], Respondent is required to always keep a container holding waste closed during storage, except when it is necessary to add or remove waste.
- b. During the EPA inspection, the inspector observed one opened 5-gallon container storing hazardous waste in the Chemical Storage Room, one opened 5-gallon container in the Pre-Treatment Room, and one opened 55-gallon plastic drum storing hazardous waste in the Etching Tin Striping Room.
- c. Respondent's NOV response stated that the 5-gallon containers are not storage containers, but are tools for measurement or transfer. When these containers contain hazardous waste and are not actively in use for adding or removing waste, they must be closed, as provided in the regulations. Respondent's NOV response failed to document that the open containers have been closed.
- d. Within 30 days of the effective date of this Agreement, Respondent must document to EPA (e.g., by photographs and certification) that the 5-gallon SAA containers are properly closed at the facility.

6. Hazardous Waste Label for Less-Than-180-Day Storage

- a. Under WAC §§ 662.192(1)(d)(1), (2) [40 C.F.R. § 262.34(d)(4)], Respondent is required to label or mark clearly each container with the words, "Hazardous Waste" while the waste is being accumulated on-site. The Respondent was also required to clearly mark and make visible the accumulation start date.
- b. During the EPA inspection, the inspector observed one black 55-gallon drum located in the Etching Tin Stripping Room storing hazardous waste not marked with the words "Hazardous Waste" or the accumulation start date.
- c. Respondent's NOV response documented that the drum has been properly marked as hazardous waste and labeled with the accumulation start date. Respondent has now documented to EPA that containers are labeled with the words, "Hazardous Waste" and are now marked with the accumulation start date at the facility.

7. Container Management for Less-Than-180-Day Storage

- a. Under WAC § 662.192(1)(b) and 665.0173(1) [40 C.F.R. § 262.34(d)(2) and

265.173(a)], Respondent is required to keep a container holding waste closed during storage, except when it is necessary to add or remove waste.

- b. During the EPA inspection, the inspector observed one opened black 55-gallon drum located in the Etching Tin Stripping Room storing hazardous waste.
- c. Respondent's NOV response documented that all the containers have been closed. Respondent has now documented to EPA that containers are closed at the facility.

8. Weekly Inspections

- a. Under WAC § 662.192(1)(b) and 665.0174 [40 C.F.R. § 262.34(d)(2) and 265.174], Respondent is required to inspect container storage areas weekly.
- b. During the record review of the EPA inspection, Respondent did not produce any evidence that weekly inspections were conducted for containers stored in less-than-180-day container storage areas.
- c. Respondent's NOV response documented that procedures were added to the facility's standing operating procedures and weekly inspections were documented. Respondent has now documented to EPA that container storage areas are being inspected weekly.

9. Hazardous Waste Determination Records

- a. Under WAC § 662.040(3) and 662.193(1)(b) [40 C.F.R. § 262.40(c)], Respondent is required to keep records of test results, waste analyses, or other determinations made for at least 3 years from the date the waste was last sent to on-site or off-site treatment, storage, or disposal.
- b. During the record review of the EPA inspection, Respondent did not produce the requested test results, waste analyses, or other determinations made for at least 3 years from the date that the waste was last sent to on-site or off-site treatment, storage or disposal.
- c. Respondent's NOV response failed to provide the documentation required to demonstrate that test results, waste analyses, or other determinations made records maintained at the facility.
- d. Within 30 days of the effective date of this Agreement, Respondent must submit to EPA documentation of compliance with hazardous waste determination requirements, including a copy of all test results, waste analyses, or other determinations for all solid wastes generated at the facility. In addition, Respondent must certify that it is maintaining such records on-site.

10. Land Disposal Restrictions Records

- a. Under WAC § 668.07(1)(h) [40 C.F.R. § 268.7(a)(8)], Respondent is required to retain on-site a copy of all notices, certifications, waste analysis data, and other documentation produced pursuant to this section for at least 3 years from the date that the waste that is the subject of the documentation was last sent to on-site or off-site treatment, storage, or disposal.
- b. During the record review portion of the EPA inspection, Respondent did not produce a copy of all notices, certifications, waste analysis data, and other documentation

produced pursuant to this section for at least 3 years from the date that the waste that is the subject of the documentation was last sent to on-site or off-site treatment, storage, or disposal.

- c. Respondent's NOV response failed to provide the documentation required to demonstrate compliance with land disposal restriction requirements.
- d. Within 30 days of the effective date of this Agreement, Respondent must submit to EPA documentation of compliance land disposal restrictions requirements, including a copy of all notices, certifications, waste analysis data, and other documentation related to waste that is subject to the land disposal restrictions requirements. In addition, Respondent must certify that it is maintaining such records on-site.

11. Universal Waste Labels

- a. Under WAC § 673.14(5) [40 C.F.R. § 273.14(e)], Respondent was required to mark each lamp, container or package with the phrase "Universal Waste—Lamps," "Waste Lamps," or "Used Lamps."
- b. During the EPA inspection, the inspector observed containers not marked with the phrase "Universal Waste—Lamps," "Waste Lamps," or "Used Lamps" when used universal waste lamps were observed stored in containers.
- c. Respondent's NOV response failed to document containers storing universal waste lamps were properly marked.
- d. Within 30 days of the effective date of this Agreement, Respondent must document to EPA (e.g., by photographs and certification) that the universal waste lamps or containers are properly marked at the facility.

12. Universal Waste Accumulation Labels

- a. Under WAC § 673.15(3) [40 C.F.R. § 273.15(c)], Respondent was required to demonstrate the length of time that the universal waste was accumulated from the date it became a waste or was received.
- b. During the record review of the EPA inspection, the inspector was not provided documentation to demonstrate the length of time the universal waste was stored.
- c. Respondent's NOV response failed to demonstrate the accumulation time for the universal waste lamps.
- d. Within 30 days of the effective date of this Agreement, Respondent must document to EPA (e.g., by photographs and certification) that the universal waste lamps or containers are properly marked with the accumulation start date at the facility.

13. When submitting the information required under paragraphs 4(d), 5(d), 9(d), 10(d), 11(d), and 12(d), above, or any other part of this Agreement, one of Respondent's officers must sign and certify as follows:

I certify that I am familiar with the information in this document and that, based on my inquiry of those individuals responsible for obtaining the information, it is true and complete to the best of my knowledge. I know that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for

knowing violations.

14. EPA and Respondent agree that settlement of this matter for a penalty of \$15,000 is in the public interest.
15. EPA is authorized to enter into this Agreement pursuant to Section 3008 of RCRA and 40 C.F.R. § 22.13(b).
16. In signing this Agreement, Respondent: (1) admits that Respondent is subject to WAC § 662.034(2) and any other applicable WAC rules set forth in this Agreement; (2) admits that EPA has jurisdiction over Respondent and Respondent's conduct as alleged in this Agreement; (3) neither admits nor denies the factual allegations contained in this Agreement; (4) consents to the assessment of this penalty; and (5) waives any right to contest the allegations contained in this Agreement.
17. By its signature below, Respondent certifies that the alleged violations have been corrected. Respondent may be subject to civil and criminal penalties for making a false statement and/or submission to the United States Government.
18. Within 30 days after the effective date of this Agreement, Respondent shall pay a civil penalty of \$15,000 for the RCRA violations identified in this Agreement by sending a cashier's or certified check, payable to "Treasurer, United States of America" to:

U.S. EPA  
Fines and Penalties  
Cincinnati Finance Center  
P.O. Box 979077  
St. Louis, Missouri 63197-9000

The check must state the case title ("In the Matter of Electronic Components and Services") and the docket number of this Agreement.

Respondent must send a notice of payment that states Respondent's name, complete address, and the case docket number (along with a photocopy of the check) to EPA at the following addresses, when it pays the penalty:

Regional Hearing Clerk  
U.S. EPA, Region 5  
77 West Jackson Boulevard (E-19J)  
Chicago, IL 60604

Cindy Dabner  
U.S. EPA, Region 5  
77 West Jackson Boulevard (LR-8J)  
Chicago, IL 60604

Jillian Rountree  
U.S. EPA, Region 5  
77 West Jackson Boulevard (C-14J)  
Chicago, IL 60604

19. The civil penalty is not deductible for federal tax purposes.
20. EPA may bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties, and the United States enforcement expenses for the collection action. The validity, amount, and appropriateness of the civil penalty are not reviewable in a collection action.
21. Pursuant to 31 C.F.R. § 901.9, Respondent must pay the following on any amount overdue under this Agreement. Interest will accrue on any amount overdue at a rate established pursuant to 31 U.S.C. § 3717. Respondent must pay a \$15 handling charge each month that any portion of the penalty is more than 30 days past due. In addition, Respondent must pay a 6 percent per year penalty on any principal amount 90 days past due.
22. Payment of the civil penalty and completion of the proof of compliance requirements set forth above shall constitute full settlement of the civil claims alleged in this Agreement.
23. If the Respondent does not sign and return this Agreement as directed by EPA, the proposed Agreement is withdrawn without prejudice to EPA's ability to file any other enforcement action for the violations identified in the Form.
24. EPA reserves all of its rights to take enforcement action for any other past, present, or future violations by Respondent of RCRA, any other federal statute or regulation, or this Agreement.
25. Upon signing and returning this Agreement to EPA, Respondent waives any and all remedies, claims for relief, opportunities for hearing, and any otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this Agreement, including but not limited to the opportunity for a hearing or appeal pursuant to Section 3008 of RCRA, 40 C.F.R. § 22.15(c), and Chapter 7 of the Administrative Procedure Act, 5 U.S.C. §§ 701-06. Further, Respondent consents to EPA's approval of the Agreement without further notice.
26. Each party shall bear its own costs and fees, if any.
27. This Agreement is binding on the parties signing below (and any of Respondent's successors or assigns) and, in accordance with 40 C.F.R. § 22.31(b), is effective upon filing.
28. EPA is authorized to enter into this Agreement under the authority vested in the EPA



Administrator by Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), and by 40 C.F.R. § 22.13(b). This Agreement is a "final order" under 40 C.F.R. § 22.31.

29. Consistent with the "Standing Order Authorizing E-Mail Service of Order and Other Documents Issued by the Regional Administrator or Regional Judicial Officer Under the Consolidated Rules," dated March 27, 2015, the parties consent to service of this Agreement by e-mail at the following valid e-mail addresses: dabner.cindy@epa.gov and rountree.jillian@epa.gov (for EPA) and Electronic Components and Services (for Respondent). The parties waive their right to service by the methods specified in 40 C.F.R. § 22.6.

IT IS SO AGREED,

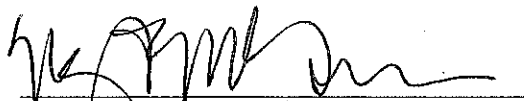
Name (print): Tom Harrison

Title (print): Vice President  
Electronic Components and Services, Inc.

Signature: 

Date 9/22/16

APPROVED BY EPA:



Margaret Guerriero, Director  
Land and Chemicals Division  
U.S. Environmental Protection Agency  
Region 5

In the Matter of:  
Electronic Components and Services, Inc.  
Docket Number \_\_\_\_\_

Date 9/29/2016

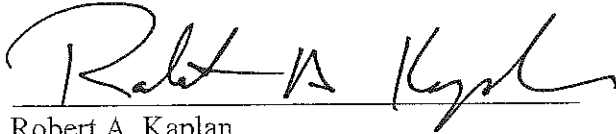
In the Matter of:  
Electronic Components and Services, Inc.  
Docket Number RCRA-05-2016-0019

FINAL ORDER

This Expedited Settlement Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Expedited Settlement Agreement and Final Order concludes this proceeding pursuant to 40 C.F.R. § 22.18 and 22.31.

IT IS SO ORDERED:

9/29/16  
Date

  
Robert A. Kaplan  
Acting Regional Administrator  
United States Environmental Protection Agency  
Region 5

Expedited Settlement Agreement

In the matter of: Electronic Components and Services, Inc.

Docket Number: RCRA-05-2016-0019

**CERTIFICATE OF SERVICE**

I certify that I served a true and correct copy of the foregoing **Expedited Settlement Agreement**, docket number RCRA 05 2016 0019, which was filed on September 30, 2016, in the following manner to the following addressees:

Copy by Certified Mail

Return Receipt Requested to  
Respondent:

Harley Drays and Todd Ulrikson  
Electronic Components and Services, Inc.  
103 Industrial Drive  
Fox Lake, Wisconsin 53933

Copy by e-mail to  
Complainant:

Jillian Rountree and Cindy Dabner  
rountree.jillian@epa.gov and dabner.cindy@epa.gov

Copy by e-mail to  
Regional Judicial Officer:

Ann Coyle  
coyle.ann@epa.gov

Dated: September 30, 2016

L. Whitehead  
LaDawn Whitehead  
Regional Hearing Clerk  
U.S. Environmental Protection Agency, Region 5

CERTIFIED MAIL RECEIPT NUMBER(S):

7009 1680 0000 7648 7160