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Robert Moyer
Acting Regional Counsel

US EPA - REGION IX
HEARING CLERK

David H. Kim
Assistant Regional Counsel (ORC-3)
United States Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105
(415) 972-3882

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
SAN FRANCISCO, CALIFORNIA

In the Matter of:)	
)	
Hebei Jiheng Chemical Company, LTD.)	Docket No. FIFRA-9-2014- <u>0001</u>
)	
)	CONSENT AGREEMENT AND FINAL
)	ORDER PURSUANT TO
)	40 C.F.R. §§ 22.13 AND 22.18
Respondent.)	
_____)	

I. CONSENT AGREEMENT

The United States Environmental Protection Agency, Region IX ("EPA"), and Hebei Jiheng Chemical Company, LTD. ("Respondent") agree to settle this matter and consent to the entry of this Consent Agreement and Final Order ("CAFO"), which simultaneously commences and concludes this matter in accordance with 40 C.F.R. §§ 22.13 and 22.18.

A. AUTHORITY AND PARTIES

1. This is a civil administrative action instituted pursuant to Section 14(a) of the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA" or "the Act"), as amended, 7 U.S.C §136 et seq., for the assessment of a civil administrative penalty against Respondent for a violation of Section 12 of the Act.

2. Complainant is the Director of the Enforcement Division, EPA, Region IX, who has been duly delegated the authority to bring this action and to sign a consent agreement settling this action.

B. APPLICABLE STATUTORY AND REGULATORY SECTIONS

3. Section 17(c) of FIFRA and regulations promulgated at 19 C.F.R. Part 12 pursuant to Section 17(e) of FIFRA by the Secretary of the Treasury in consultation with the EPA Administrator govern the importation of pesticides into the United States.
4. 19 C.F.R. § 12.111 provides that "all imported pesticides are required to be registered under the provisions of section 3 of the Act."
5. 19 C.F.R. § 12.112 provides that "an importer desiring to import pesticides into the United States shall submit to the Administrator a Notice of Arrival of Pesticides or Devices prior to the arrival of the shipment to the United States."
6. Section 12(a)(1)(E) of FIFRA provides that it shall be unlawful for any person to distribute or sell to any person a pesticide which is adulterated or misbranded.
7. Section 2(q)(1)(D) of FIFRA states a pesticide is misbranded if its label does not bear the registration number assigned under section 7 to each establishment in which it was produced.

C. ALLEGATIONS

8. Respondent is a corporation and therefore, a "person" as defined in Section 2(s) of FIFRA, 7 U.S.C. § 136(s).
9. Respondent manufactures "Hydro Clear Shock" at its facility in Hengshui City, China.
10. "Hydro Clear Shock" is used to control or kill bacteria and algae.
11. Bacteria and algae are "pests" as defined in Section 2(t) of FIFRA, 7 U.S.C. § 136(t).

12. "Hydro Clear Shock" is a "pesticide" as defined in Section 2(u) of FIFRA, 7 U.S.C. § 136(u).
13. On or about November 19, 2012, Respondent registered the pesticide "Hydro Clear Shock" with EPA pursuant to Section 3 of FIFRA, 7 U.S.C. § 136a, under EPA Registration Number 73660-4-89565.
14. On or about September 11, 2013, approximately 900 drums of "Hydro Clear Shock" that Respondent imported to the United States from China arrived at the Port of Long Beach in Long Beach, California.
15. On or about September 11, 2013, the labeling on the 900 drums of "Hydro Clear Shock" that arrived at the Port of Long Beach had an incorrect registration number for the establishment in which it was produced and also an incorrect distributor number.
16. Therefore, the pesticide, "Hydro Clear Shock" that Respondent imported from China to the Port of Long Beach is a "misbranded" pesticide and its shipment constitutes a violation of Section 12(a)(1)(E) of FIFRA, 7 U.S.C. § 136j(a)(1)(E).

D. RESPONDENT'S ADMISSIONS

17. In accordance with 40 C.F.R. § 22.18(b)(2) and for the purpose of this proceeding, Respondent (i) admits that EPA has jurisdiction over the subject matter of this CAFO and over Respondent; (ii) neither admits nor denies the specific factual allegations contained in the Complaint; (iii) consents to any and all conditions specified in this CAFO and to the assessment of the civil administrative penalty under Section I.F. of this CAFO; (iv) waives any right to contest the allegations contained in Section I.C. portion of the CAFO; and (v) waives the right to appeal the proposed final order contained in this CAFO.

E. RE-LABELING

18. No later than thirty (30) days after the effective date of this CAFO, Respondent shall re-label the "Hydro Clear Shock" currently being detained by EPA and U.S. Customs Service with the EPA-accepted label for "Hydro Clear Shock."
19. Respondent shall not sell or distribute the detained drums of "Hydro Clear Shock" (and their contents if appropriate) until they have been re-labeled with the EPA-accepted label.
20. No later than one (1) day after the detained drums of "Hydro Clear Shock" (and their contents if appropriate) have been re-labeled with the EPA-accepted label, Respondent shall submit a written status report to Glenda Dugan in the Region IX Pesticide Section certifying that the required re-labeling has been completed in accordance with the terms of this CAFO.
21. Respondent shall maintain production records of each drum that is re-labeled, in accordance with all applicable FIFRA requirements, including, but not limited to, the requirements set forth at 40 C.F.R. Part 169, and comply with all reporting requirements set forth in Section 7(c) of FIFRA, including, but not limited to, all record keeping and reporting requirements promulgated at 40 C.F.R. Part 167.

F. CIVIL ADMINISTRATIVE PENALTY

22. Respondent agrees to the assessment of a penalty in the amount of FOUR THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$4,250) as final settlement of the civil claims against Respondent arising under the Act as alleged in Section I.C. of the CAFO.
23. Respondent shall pay the assessed penalty no later than thirty (30) days from the effective date of this CAFO. Payment shall be made by cashier's or certified check payable to the

"Treasurer, United States of America," or be paid by one of the other methods listed below:

a. Regular or Certified Mail:

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

b. Wire Transfers:

Wire transfers must be sent directly to the Federal Reserve Bank in New York City with the following information:

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

Field Tag 4200 of the Fedwire message should read "D 68010727

Environmental Protection Agency."

c. Overnight Mail:

U.S. Bank
1005 Convention Plaza
Mail Station SL-MO-C2GL
ATTN Box 979077
St. Louis, MO 63101

d. ACH (also known as REX or remittance express):

Automated Clearinghouse (ACH) for receiving US currency
PNC Bank
808 17th Street, NW
Washington, DC 20074
ABA = 051036706
Transaction Code 22 — checking

Environmental Protection Agency
Account 31006
CTX Format

e. On Line Payment:

This payment option can be accessed from the information below:

www.pay.gov
Enter "sfo1.1" in the search field
Open form and complete required fields

If any clarification regarding a particular method of payment remittance is needed, Please contact the EPA Cincinnati Finance Center at 513-487-2091. The payment shall be accompanied by a transmittal letter identifying the case name, the case docket number, and this CAFO. Concurrent with delivery of the payment of the penalty, Respondent shall send a copy of the check or notification that the payment has been made by one of the other methods listed above, including proof of the date payment was made, and transmittal letter to the following addresses:

Regional Hearing Clerk
Office of Regional Counsel (ORC-1)
U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

Glenda Dugan
Pesticide Section
Enforcement Division (ENF-3)
U.S. Environmental Protection Agency, Region IX
75 Hawthorne Street
San Francisco, CA 94105

24. Payment of the above civil administrative penalty shall not be used by Respondent or any other person as a tax deduction from Respondent's federal, state, or local taxes.

25. If Respondent fails to pay the assessed civil administrative penalty as specified in Paragraph 23, then Respondent shall pay to EPA the stipulated penalty of EIGHT THOUSAND DOLLARS (\$8,000), which shall be immediately due and payable upon EPA's written request. In addition, failure to pay the civil administrative penalty by the deadline specified in Paragraph 23 may 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; or (ii) suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds. 40 C.F.R. § 13.17.
- d. In accordance with the Debt Collection Act of 1982 and 40 C.F.R. Part 13 interest, penalties charges, and administrative costs will be assessed against the outstanding amount that Respondent owes to EPA for Respondent's failure to pay the civil administrative penalty by the deadline specified in Paragraph 21. Interest will be assessed at an annual rate that is equal to the rate of current value of funds

to the United States Treasury (i.e., the Treasury tax and loan account rate) as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins. 40 C.F.R. § 13.11(a)(1). Penalty charges will be assessed monthly at a rate of 6% per annum. 40 C.F.R. § 13.11(c). Administrative costs for handling and collecting Respondent's overdue debt will be based on either actual or average cost incurred, and will include both direct and indirect costs. 40 C.F.R. § 13.11(b). 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.

26. If Respondent fails to comply with Section I.E of this CAFO, then Respondent shall pay the following stipulated penalties:
 - a. If Respondent fails to provide any notice or report required by this CAFO by the date due or keep records required by this CAFO, Respondent shall pay a stipulated penalty of \$500 per day for each day that the notice or report is late or the record is not kept. If Respondent files any notice or report with incomplete, inaccurate, or missing information, Respondent shall provide EPA with a revised report within one (1) day of its receipt of written notification from EPA of the nature of the problem. Respondent shall pay a stipulated penalty of \$500 for each day that the revised report is late.

G. CERTIFICATION STATEMENT

27. All notices, records, and submissions required in this CAFO which purport to document compliance with the terms of this CAFO shall contain a Certification Statement signed by a responsible official. The Certification Statement shall be as follows:

I certify under penalty of law that the information contained in or accompanying this document is true, accurate, and complete. As to the portion[s] of this document for which I cannot personally verify [its/their] truth and accuracy, I certify that, based on my inquiry of the person or persons directly responsible for gathering the information, the information is true, accurate, and complete.

For purposes of this provision, the term "responsible official" means a president, secretary, treasurer or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decisionmaking functions for the corporation; or the manager of one or more manufacturing, production, or operating facilities employing more than 250 persons or having gross annual sales or expenditures exceeding \$35 million, if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

H. RETENTION OF RIGHTS

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

29. This CAFO does not exempt, relieve, modify, or affect in any way Respondent's duty to comply with all applicable federal, state, and local laws, regulations, rules, ordinances, and permits.

I. ATTORNEYS' FEES AND COSTS

30. Each party shall bear its own attorneys' fees, costs, and disbursements incurred in this proceeding.

J. EFFECTIVE DATE

31. In accordance with 40 C.F.R. §§ 22.18(b)(3) and 22.31(b), this CAFO shall be effective on the date that the final order contained in this CAFO, having been approved and issued by either the Regional Judicial Officer or Regional Administrator, is filed.

K. BINDING EFFECT

32. The undersigned representative of Complainant and the undersigned representative of Respondent each certifies that he or she is fully authorized to enter into the terms and conditions of this CAFO and to bind the party he or she represents to this CAFO.
33. 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.

FOR RESPONDENT, HEBEI JIHENG CHEMICAL COMPANY, LTD.

9/25/2013
DATE

Joseph Gruchacz

NAME: Joseph Gruchacz

TITLE: President
Sagax Products, Inc.

FOR COMPLAINANT, EPA REGION IX:

10/30/13
DATE

Kathleen Johnson

Kathleen Johnson

Director

Enforcement Division

U.S. Environmental Protection Agency, Region IX

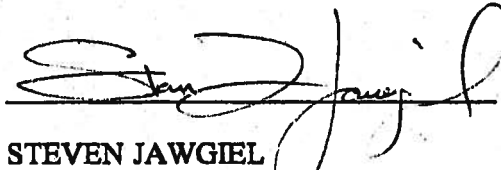
II. FINAL ORDER

Complainant and Respondent, Hebei Jiheng Chemical Company, LTD., having entered into the foregoing Consent Agreement,

IT IS HEREBY ORDERED that this CAFO (Docket No. FIFRA-9-2014-001) be entered, and that Respondent shall pay a civil administrative penalty in the amount of FOUR THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$4,250) and comply with the terms and conditions set forth in the Consent Agreement.

10/31/13

DATE



STEVEN JAWGIEL
Regional Judicial Officer
U.S. Environmental Protection Agency, Region IX

CERTIFICATION OF SERVICE

I certify that the original of the fully executed Consent Agreement and Final Order, (Docket Number FIFRA-09-2013-0001) was filed with the Regional Hearing Clerk, U.S. EPA, Region IX, 75 Hawthorne Street, San Francisco, CA 94105, and that a true and correct copy was sent to the following parties:

A copy was mailed via CERTIFIED MAIL to:

Joseph Gruchacz
Hebei Jihang Chemical Company, Ltd c/o
Sagax Products, Inc.
3104 Creekside Village Dr, Ste 507
Kennesaw, GA 30144

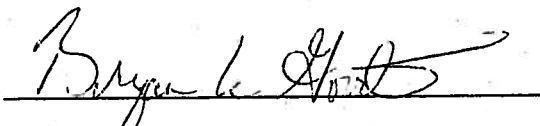
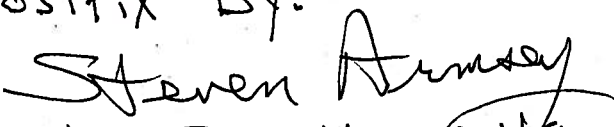
CERTIFIED MAIL NUMBER

7013 1090 0000 1618 2502

An additional copy was hand-delivered to the following U.S. EPA case attorney:

David Kim, Esq.
Office of Regional Counsel
U.S. EPA, Region IX
75 Hawthorne St.
San Francisco, CA 94105

Bryan K. Goodwin
Regional Hearing Clerk
U.S. EPA, Region IX


Postfix By:

Acting Reg. Hear. Clerk,
Date: Nov. 22, 2013