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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION X

IN THE MATTER OF :

ARGENT CHEMICAL LABORATORIES, Inc., ELIOT LIEBERMAN and BEATRIZ SHANAHAN,

Respondents.

NO. FIFRA-10-2004-0073

ANSWER AND AFFIRMATIVE DEFENSES OF RESPONDENT

COMES NOW, Respondents, and in Answer to the general allegations set forth in II. of Plaintiff's Complaint, admits, denies and alleges as follows:

- 1. Respondent admits Paragraphs 3, 4, 11, 12, 19, 26, 33, 35, 40, and 73, 100.
- 2. Respondent has insufficient information regarding the following enumerated Paragraphs and therefore denies the same, Paragraphs 9, 16, 18, 21, 24, 30, 41, 42, 50, 55, 64, 65, 75, 77, 83, 84, 85, 87, 88, 89, 90.
- 3. Regarding the following Paragraphs Respondent admits and denies as follows:

Paragraph 5, Respondent denies that it has three branches. Argent Chemical Laboratories Inc. is a Washington

corporation and has no ownership interest in Argent Canada or Argent Philippines, although they have distributed Argent products as well as the products of other companies.

Paragraph 6, Respondent admits that it sells or distributes products to areas of the United States and to some foreign countries.

Paragraph 7, Lieberman admits he is the President and Treasurer of Argent and owns fifty-one percent of the stock and that he is involved in some of the day to day operations of Argent. The rest of the Paragraph is denied.

Paragraph 8, Beatriz Shanahan is the Vice President and Secretary of Argent and owns forty-nine percent of the stock. She is involved in some of the day to day operations of Argent and denies the rest of the allegations.

Paragraph 10, Argent admits that it plead guilty to submitting false statements to the Food and Drug Administration and that Mr. Lieberman and Ms. Shanahan entered a guilty plea. The exact nature of the charge is unknown.

Paragraphs 13 and 14, Respondent admits Paragraphs 13 and 14 on information and belief although some of the reports are not available.

Paragraph 15, Respondent denies paragraph 15.

Paragraph 17, Respondent admits a letter was sent but deny the characterizations set forth in the balance of Paragraph 17.

Paragraph 20, Respondent admits that WSDA carried on an

inspection in 1999. The rest of the Paragraph is denied as Argent has no knowledge of what the Operations Manager may have said or why the inspection was initiated.

Paragraph 22, Respondent admits that in April 2001 Washington Department of Ecology conducted an inspection of Argent. The balance of that Paragraph is denied as Argent has no specific knowledge of the allegations contained therein.

Paragraph 23, Respondent admits EPA inspectors conducted compliance inspections on February 25th and 26th of 2003 at 8702 152nd Avenue, Redmond, Washington. They have no specific knowledge of the June 14, 2001 inspection.

Paragraph 25, Respondent admits that Mr. Lieberman's office is located adjacent to the Argent office and that some files and sales documentation may have been located in his office. Respondent denies the other allegations contained therein.

Paragraph 27, Respondent admits Paragraph 27 with the exception that Copper Control is not currently sold in granular form, which is denied.

Paragraph 28, Respondents admit Paragraph 28 with the exception of Copper Control Granular which is denied.

Paragraph 29, Respondents admit Paragraph 29 on information and belief, the exact date is unclear.

Paragraph 31, Respondents deny they manufactured and produced Copper Control Liquid. They admit the balance of that Paragraph, however they are in the process of verifying

the forty-seven domestic sales identified in Attachment A.

Paragraph 32, Respondents admit on information and belief, and are in the process of verifying those invoices.

Paragraph 34, Respondents believe the EPA number set forth therein is incorrect. They admit that Copper Control Algaecide is a registered pesticide.

Paragraph 35, Respondent admits Paragraph 35 in that that form has been used by Argent.

Paragraph 36, Respondent admits on information and belief however they have not yet had an opportunity to review those invoice numbers.

Paragraph 37, Respondent admits the exact wording is not on Argent's label but that their label is approved by the EPA and contains essentially the same warnings.

Paragraph 38, Respondent admits Paragraph 38 however it denies that the label lacks the EPA approved language.

Paragraph 39, Respondents admit the sale may have occurred but have not located that invoice and have no knowledge at this time who signed the export papers.

Paragraph 43, Respondents deny that they manufactured, produced or repackaged Copper Control Granular but admit the balance of that Paragraph.

Paragraph 44, Benzalkonium Chloride is a cationic germicide which Respondent sold or distributed as Benzalkonium Chloride 50% germicidal concentrate. Respondents deny the other allegations therein.

Paragraph 45, Respondents admit Benzalkonium Chloride is a commonly used ingredient as a germicide. Object to the term "active pesticidal ingredient".

Paragraph 46, Respondents admit Paragraph 46.

Paragraph 47, Respondents deny they manufactured or produced but admit the balance of Paragraph 47 with the exception of Attachment B which they have not yet had an opportunity to fully investigate.

Paragraph 48, Respondent admits Paragraph 48 on information and belief.

Paragraph 49, Respondent denies the supplemental distribution agreement was canceled and admits the other allegations of Paragraph 49.

Paragraph 51, Respondents admit they purchased fifty-five gallon containers of Benzalkonium Chloride 50% and repackaged and relabeled the product into one and five gallon containers bearing EPA registration number 42943-6-47677. They deny the other allegations in that Paragraph. Argent believed that the corporations were successors to Sharex.

Paragraph 52, Respondents do not believe that the Variquat 50 ME distributorship has been canceled and therefore deny this Paragraph.

Paragraph 53, Respondents deny Paragraph 53 but admit they were never notified by Goldschmidt that the registration number had been altered after the transfer.

Paragraph 54, Respondents admit but have no need of one

as they are currently not selling that product.

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Paragraph 56, Respondents deny for the reasons set forth above.

Paragraph 57, Respondents admit on information and belief.

Paragraphs 58 and 59, Respondents have no knowledge of Rotenone's registration as an insecticide. Argent's sale were only for use as a fish toxicant. Deny the balance of the allegations in Paragraphs 58 and 59.

Paragraph 60, Respondents admit that Rotenone is used as a fish toxicant. Deny the other allegations set forth therein.

Paragraph 61, Respondents admit the second sentence of that Paragraph with the exception of the word "formerly" as to the first sentence admit that Respondents distributed or sold a number of products which contained Rotenone as the active ingredient.

Paragraph 62, Respondents deny Paragraph 62 these were intended for use as a fish toxicant.

Paragraph 63, Respondents admit on information and belief. As to why it was classified or whether it was classified as restricted use pesticide by the EPA, they have no knowledge and therefore deny the same. Rotenone is routinely sold in stores and by many other companies including Ortho without any restricted use language.

Paragraphs 66 and 67, Respondents deny Paragraphs 66 and

67.

Paragraph 68, Respondents admit that in 2001 Respondent sold or distributed 5% Emulsifiable Concentrate EPA registration number 1439-157.

Paragraph 69, Respondents admit that a sale was made to the State University of New York. Argent denies any knowledge of why the labels set forth therein would have been on their product. Those labels would not be ones in current use by Argent.

Paragraph 70, Respondents admit Paragraph 70 on information and belief.

Paragraph 71, Respondents admit Paragraph 71 with the exception of aquatic toxicity. Argent has no knowledge regarding that issue and therefore denies the same.

Paragraph 72, Respondents have no knowledge of the "EPA accepted Chem Fish Toxicant Regular label" and therefore denies the same.

Paragraph 74, Respondents admit the allegations concerning Wayne Daley and Rohwer (Rohnwer, sic).

Paragraph 76, Respondents admit that invoice 98279 and 101606 are for sale of Rotenone 5% liquid five gallons to Richard Leclerc of Miami Florida. Deny the other allegations.

Paragraph 78, Respondents admit paragraph 78.

Paragraph 79, Respondent has no specific knowledge and therefore denies the same, however Aquatic Culture and Design was a distributor of Argent products and would be expected to

follow label instructions in their sale.

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Paragraph 80, Argent admits that 10% powder contains Rotenone and may or may not be sold or distributed as a pesticide.

Paragraph 81, Respondents deny Paragraph 81. Rotenone 10% Powder is registered as 1439-157.

Paragraph 82, Respondents admit Paragraph 82 although the dates are probably more accurately reflected as May 1, 2001 and July 25, 2001.

Paragraph 86, Respondents deny Paragraph 86 however admit that a similar sale was made to Kukio.

Paragraph 91, Respondents admit Aqua Bacta is a suspension of seven dormant bacterial strains which will aid in the process of waste and nutrient reduction and improve water quality.

Paragraph 92, Respondents admit being informed by the EPA in an industry wide letter, that scum and pond scum are pesticidal claims. Respondent denies the balance of the statements in Paragraph 92.

Paragraph 93, The product label and advertising was changed to conform to the EPA request and is therefore denied.

Paragraph 94, Respondents deny Aqua Bacta is used to reduce nutrients in the aquatic environment.

Paragraph 95, Respondent has no knowledge of the statements in 95 as algae may be a problem or a benefit depending on what you are looking for.

Paragraph 96, Respondent denies the same.

Paragraph 97, Respondent has no knowledge as to whether A.B.A. is a registered pesticide although on information and belief thinks that it is not.

Paragraph 98, Respondent admits that as of April 30, 2004 A.B.A was listed on Argent's web site.

Paragraph 99, Respondent admits that between March 24, 2000 and December 5, 2002 they sold or distributed A.B.A. and that those invoice numbers reflect those sales but deny they manufactured or produced.

Paragraph 101, Respondents deny Paragraph 101 as the scum referred to is feces and vomiting caused by stress to fish in a closed transportation environment.

Paragraph 102, Respondents deny, see ¶ 101.

Paragraph 103, Respondents deny as they have no particular knowledge over whether No Foam is a registered pesticide although on information and belief they do not think that it is.

Paragraph 104, Respondents admit Paragraph 104.

Paragraph 105, Respondents admit that between October 26, 1999 and June 11, 2001 they sold or distributed a product called No Foam as set forth. Respondents believe they may have sold invoice 93676 contained therein but have not confirmed that sale.

Paragraph 106, the promotional material for Kontak indicates that it is a fresh and salt water algaecide.

Paragraph 107, Respondent denies Paragraph 107.

Paragraph 108, Respondent admits that if contact were intended for use to control algae it could be a pesticide.

Paragraph 109, Respondent admits Paragraph 109.

Paragraph 110, Respondent admits it received Kontak Aquarium Algaecide and denies the balance of Paragraph 110.

Paragraph 111, Respondent admits the product was returned from Canada to Argent in Redmond, Washington and denies the balance of Paragraph 111.

Paragraph 112, Respondent admits that the Washington facility is not a registered pesticide producing establishment for Kontak and denies the balance of that Paragraph for lack of knowledge. Argent was not producing Kontak and has not done so since 1992.

III.

Paragraphs 113 through 146 are all statements regarding 7 U.S.C. § 136, 40 C.F.R. § 156, 40 C.F.R. § 168, 40 C.F.R. § 167 and 40 C.F.R. § 169. Respondent submits that these statutes and federal regulations speak for themselves.

IV.

In response to IV. of Plaintiff's Complaint, Respondent Argent alleges as follows:

Paragraphs 147, 152, 159, 167, 174, 179, 186, 197, 205, 211, 218, 223, 230, 235, 246, 252, 257, 264, 274, 279, 288, 294, 300 and 306 have been specifically denied, admitted or explained in other answers and Argent asserts that the answers

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set forth above are re-alleged and incorporated in this answer to Paragraph IV.

Paragraph 148, Respondent admits that they domestically distributed or sold one and five gallon containers of Copper Control during those dates. It is believed the registration number was 1812-307-47677.

Paragraph 149, Respondent has no specific knowledge as to when the EPA canceled the registration for Copper Control Liquid 47677-1 and therefore denies the same.

Paragraph 150, Respondent denies. Copper Liquid is registered to Griffin (Ktea) under registration number 1812-307-47677.

Paragraph 151, Respondents deny for the reason set for in Paragraph 150.

Paragraph 153, see the response to Paragraph 148.

Paragraph 154, Respondents admit Paragraph 154 with the exception that the number should be 1812-307-47677.

Paragraphs 155 and 156, Respondent does not understand the word false as used herein. The EPA registration number 1812-307-47677 and EPA establishment number 47677-WA-01 all appear on the EPA approved Copper Control label. This label has received EPA approval.

Paragraphs 157 and 158, Respondents deny for the reason set forth in Paragraph 153 through 156.

Paragraph 160, with the exception of EPA registration number Argent believes that could be a true statement but

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without the invoice numbers it is impossible to tell.

Paragraph 161, Respondent has no knowledge as to the statements set forth in Paragraph 161 but believes that official business may be conducted within all of the countries set forth therein in English.

Paragraph 162, Respondent's Copper Control label has been translated into other languages and therefor that is denied.

Paragraph 163 is denied as Respondent believes that Copper Control Liquid is registered for use in the United States of America.

Paragraphs 164, 165 and 166, see Respondent's answer to Paragraph 160 through 163 above. Respondent believes that Copper Control was exported to Ecuador, Germany and Mexico between May 24, 1999 and May 25, 2001 but is unable to answer the rest of the allegations without specific invoice numbers.

Paragraph 168, Respondents admit sales my have been made to those countries but need specific invoice numbers.

Paragraph 169, Respondent denies that Copper Control Liquid is not registered it is believed to be registered under EPA number 1812-307-47677.

Paragraphs 170, 171, 172 and 173 are denied based upon the answers to Paragraphs 168 and 169.

Paragraph 175, see answer to Paragraph 168.

Paragraph 176, 177, and 178, denied for the same reasons as Paragraphs 169, 170 and 171. It is believed that Copper Control is registered in the United States.

Paragraph 180, Respondents admit Paragraph 180.

Paragraph 181, Respondents admit that the EPA establishment number 47677-WA-01 is the correct number on the label. They believe that this has always been Argent's establishment number and is presently.

Paragraphs 182 and 183. The Copper Control Algaecide labels set forth in Paragraphs 182 and 183 were approved for use by the EPA and therefor is believed to not be false and to have the language adequate to protect health and the environment.

Paragraphs 184 and 185 are denied. See answers to Paragraphs 181, 182 and 183 above.

Paragraph 187, Respondents admit the sale may have taken place but have not yet located the invoice.

Paragraphs 188, 189, 190, 191, 195 and 196 are denied as it is believed that the shipment bore the EPA approved label.

Paragraph 192, Respondent has no specific knowledge of the language used to conduct official business in Mexico but believes that English is one of the languages utilized there.

Paragraph 193, Respondent admits that that is a label used by Argent.

Paragraph 194, Respondent denies that its cautionary statements were not sufficient in that Argent's Mexican customers speak English and there would clearly be an English speaker on site to translate the label if that were necessary

pursuant to the cautionary language provide by Argent in Spanish. Argent has not yet determined what label was used.

Paragraphs 195 and 196, Respondent denies. See answers to Paragraphs 188 through 194 above.

Paragraph 198, Respondent admits Paragraph 198.

Paragraph 199, 200, 201, 202, 203, 204, 206, and 207, Respondent denies these Paragraphs.

Paragraph 208, Respondent has no specific knowledge as to when EPA may have canceled the products registration. It is clear that Argent was no longer manufacturing Copper Control Granular.

Paragraph 209, see answer to 208.

Paragraph 210, Respondent does not believe that distribution or sales of Copper Control Granular formulated in the package before 1996 would be a sale of an registered pesticide. Argent was informed by EPA personnel that ale of already formulated Copper Control would be permitted.

Paragraph 212, Respondents admit Paragraph 212.

Paragraph 213, Respondent admits that is probably true.

Paragraphs 214, 215, 216, and 217, for the reasons set forth in Paragraphs 207 through 210 above, Argent denies these statements. It is believed that all of the information contained therein was accurate at the date of manufacture, packaging and labeling.

Paragraph 219, Respondents admit that it sold Benzalkonium chloride between July 26, 1999 and January 15,

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2003. It has not yet been able to verify all the sales alleged by Plaintiff.

Paragraph 220, Respondents deny the statement as they believe that Benzalkonium Chloride 50% Germicidal Concentrate is a registered pesticide.

Paragraphs 221 and 222, see the answers to Paragraph 220.

Paragraph 224, see answer to Paragraph 219.

Paragraph 225, Respondents admit Paragraph 225.

Paragraph 226, 227, 228, and 229, Respondent denies these Paragraphs as to its knowledge it is a subregistrant who purchases Benzalkonium Chloride from EPA registered sources.

Paragraph 231, Respondent admits Paragraph 231.

Paragraphs 232, 233, and 234, Respondent denies these paragraphs see answers to Paragraphs 225 through 229.

Paragraph 236, Respondent admits this Paragraph.

Paragraph 237, Respondent admits on information and belief.

Paragraph 238, 239, 242, 243, 244, and 245, Respondent denies these paragraphs see answers above to Paragraphs 220 through 234.

Paragraph 240, Respondents deny, as Argent has no specific knowledge of what languages are used to conduct to official business in Tahiti but believe that English is one of them. This particular product was used by French research agency which is fluent in English.

Paragraph 241, Respondents admit this Paragraph.

Paragraph 247, Respondent has no record of a shipment on that date.

Paragraph 248, 249, 250, and 251, Respondent denies theses Paragraphs as Argent does not believe that Benzalkonium Chloride is an unregistered chemical in the United States. At Paragraph 50, Plaintiff sets forth that in fact it is registered now under EPA number 56630-5.

Paragraph 253, Respondents admit that sale of Rotenone was made on August 28, 2001. Argent does not believe that the EPA registration number is the number set forth on the label.

Paragraph 254, Respondent believes that Rotenone is a fish toxicant and therefor denies the same.

Paragraph 255, Respondent denies. Rotenone is registered under EPA registration number 1439-157.

Paragraph 256, Respondent denies for the reasons set forth in Paragraph 255.

Paragraph 258, see response to Paragraph 253.

Paragraphs 259, 260, 261, 262, and 263, Respondent does not believe that EPA registration was on the label. In the event that it was it is not a false statement as it does in fact represent Argent's EPA establishment number.

Paragraph 265, Respondent admits the allegations set forth therein with the exception of the term uncertified applicators.

Paragraph 266, Respondent believes that Rotenone 5% Liquid may have some uses as a pesticide under certain

applications.

Paragraph 267, Respondent admits Paragraph 267 in that it is restricted use due to aquatic toxicity.

Paragraph 268, Respondent admits it sold Rotenone 5% Liquid to Wayne Daley and denies the other allegations set forth therein. Mr. Daley was provided with a name of a certified applicator and was assured that he would seek his assistance and that he followed the instructions on the label and used only under the direction of a certified applicator.

Paragraph 269, Respondent admits sales to Sievert Rohnwer. Argent would have only made a sale to an individual with a self contained pond and after providing them with the name of a certified applicator.

Paragraph 270, Respondent admits sales to Richard Leclerc. Argent assumes that he used it under the direct supervision of a certified applicator or that he was himself certified to apply restricted chemicals.

Paragraphs 271 and 272, Respondent admits that Aquatic Culture and Design is a sales representative of Argent Chemical and it is assumed that any use or sales were made by them to certified applicators or person who would have access to a certified applicator.

Paragraph 273, Respondent denies Paragraph 273.

Paragraph 275, Respondent admits Paragraph 275.

Paragraph 276, Respondent admits that Rotenone 10% Powder could be a pesticide under certain uses.

Paragraph 277, Respondent denies that Rotenone Powder is not registered and is in fact registered under EPA registration number 1439-157.

Paragraph 278, Respondent denies, see answer to Paragraph 277.

Paragraph 280, Respondent admits that Paragraph with the exception of the cardboard drum statement. This product is routinely drop shipped from TIFA with their labeling and containers.

Paragraphs 281, 282, 283, 284, 285, 286 and 287, Respondent denies. This product would have been labeled with the tifa limited label EPA registration number 1439-157. If the product had been re-bagged or labels removed by the end user Argent has no control over their acts and is not responsible for the same.

Paragraph 289, Respondent admits this Paragraph as to seven sales.

Paragraph 290, A.B.A. is used to control aquatic nutrient levels.

Paragraphs 291, 292 and 293, Respondent denies as the labels were proper and Argent had complied with the EPA 1999 label changes.

Paragraphs 295 and 296, Respondent admits these Paragraphs.

Paragraphs 297, 298 and 299 Respondent denies. The scum set forth on the No Foam label consists of feces and vomit

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which are the result of over stressed fish in a closed environment. No Foam is used during transportation of large numbers of fish in closed environments and has nothing to do with algaecides or pests. It is only meant to break up the surface tension of the water so that oxygen exchange can take

Paragraph 301, Respondent admits it received Kontak from Canada on or about September 12, 2001. This was sent solely for disposal. Argent was not able to find a suitable site and it was stored until one could be found.

Respondent denies all the other allegations set forth in Paragraphs 302, 303, 304 and 305. Kontak was formulated for aquarium use only and any sales were solely for aquariums. Argent is not aware of any Kontak sales in the last nine years.

Paragraph 307, Respondent denies that it manufactured or produced, but did repackage Copper Control Liquid, Copper Control Algaecide and Benzalkonium Chloride. It denies all of the other allegations contained therein.

Paragraphs 308 and 309, Respondent contends that any of were done under valid distributorship reregistration agreements or under the express knowledge and approval of the EPA.

Paragraph 310, Respondent denies that the penalty is appropriate, that it has the ability to pay such a penalty or that any of the allegations herein pose a threat to human

1	health or the environment.
2	RESPECTFULLY SUBMITTED this $27$ day of July, 2004.
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5	By: John S. York, Jr., WSBA # 7785
6	Attorney for Argent Chemical Laboratories, Inc.
7	
8	By: Laurence B. Finegold, on head
9	WSBA #1971 Attorney for Eliot Lieberman
10	recorney for bride broberman
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John S. York, Jr., WSBA # 7785
Chemical 5 Attorney for Argent Chemical 6 Laboratories, Inc. 7 B Laurence B. Finegold, WSBA #1971 9 Attorney for Eliot Lieberman 10 11 12 13 14 15 15 1,7 18 19 20 21 22 23 24 25 26