



U. S. ENVIRONMENTAL PROTECTION AGENCY – NEW ENGLAND  
5 POST OFFICE SQUARE, SUITE 100 (OES04-3)  
BOSTON, MA 02109-3912

FEB - 5 2020

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EPA ORC WS  
Office of Regional Hearing Clerk

**BY HAND DELIVERY**

Ms. Wanda Santiago, Regional Hearing Clerk  
U.S. EPA, Region I  
5 Post Office Square, Suite 100  
Boston, MA 02109-3912

Re: Exeter Scrap Metal, LLC/EPA Docket No. CAA-01-2020-0039

Dear Ms. Santiago:

Attached for filing in the above-referenced matter are an original and one copy of an executed *Administrative Complaint and Notice of Opportunity for a Hearing* (“Complaint”) for the above-referenced matter that the EPA has served on the Respondent. Also attached are an original and one copy of a Certificate of Service.

EPA has also sent copies of the Complaint, the Certificate of Service, and this letter to the Respondent by Overnight Mail.

Thank you for your assistance. Please call me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "John W. Kilborn".

John W. Kilborn  
Senior Enforcement Counsel

Cc: David Waddington, Owner, Exeter Scrap Metal, LLC  
Cindy J. Karlson, Counsel for Exeter Scrap Metal, LLC  
Christine Sansevero, EPA

Enclosures:

1. Original and Copy of Complaint
2. Original and Copy of Certificate of Service

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 1**

_____ )	
IN THE MATTER OF )	Docket No. CAA-01-2020-0039
)	
<b>Exeter Scrap Metal, LLC</b> )	
<b>405 Nooseneck Hill Road</b> )	
<b>Exeter, RI 02822</b> )	<b>ADMINISTRATIVE COMPLAINT AND</b>
)	<b>NOTICE OF OPPORTUNITY FOR A</b>
<b>Respondent</b> )	<b>HEARING</b>
)	
Proceeding under Section )	
113 of the Clean Air Act )	
_____ )	

**I. STATEMENT OF AUTHORITY**

1. The United States Environmental Protection Agency – Region 1 (“EPA” or “Complainant”) issues this *Administrative Complaint and Notice of Opportunity for a Hearing* (“Complaint”) pursuant to Section 113(d) of the Clean Air Act (“CAA” or “Act”), 42 U.S.C. § 7413(d), and the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits* (“Consolidated Rules of Practice”), 40 C.F.R. Part 22, to Exeter Scrap Metal, LLC (“Respondent”).

**II. NATURE OF THE ACTION**

2. This Complaint hereby notifies Respondent that EPA intends to seek a civil penalty as described below for each violation of the *Regulations for the Protection of Stratospheric Ozone – Recycling and Emission Reduction*, promulgated at 40 C.F.R. Part 82, Subpart F (“Subpart F”). The Complaint also describes Respondent’s option to file an Answer to the Complaint and to request a formal hearing. In support of this Complaint, EPA alleges the following:

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Office of Regional Hearing Clerk

### **III. STATUTORY AND REGULATORY AUTHORITY**

3. EPA promulgated Subpart F pursuant to Section 608 of the CAA, 42 U.S.C. § 7671g. Regulations promulgated under this provision of the CAA are enforceable by EPA in accordance with Section 113 of the Act, 42 U.S.C. § 7413.

4. Respondent's violations described herein render Respondent liable for penalties under Section 113(d) of the Act.

5. Sections 113(a) and (d) of the CAA, 42 U.S.C. §§ 7413(a) and (d), as amended by EPA's *Civil Monetary Penalty Inflation Adjustment Rule*, 40 C.F.R. Part 19, promulgated in accordance with the *Debt Collection Improvement Act of 1996* ("DCIA"), 31 U.S.C. §§ 3701 et seq., provide for the assessment of civil penalties of up to \$48,192 per violation per day, as adjusted by the DCIA.

6. Sections 113(a) and (d) of the CAA, 42 U.S.C. §§7413(a) and (d), provide for the assessment of penalties for violations of CAA Section 608 and of any regulations promulgated thereunder. See 42 U.S.C. § 7413(a) and (d); 40 C.F.R. Part 19.4, Table 1 (civil penalties may be assessed of up to \$48,192 per violation per day).

7. When the first alleged date of a CAA violation occurs more than twelve (12) months prior to the initiation of an administrative action and/or the amount of the penalty sought exceeds \$385,535, EPA and the Department of Justice may jointly determine that an administrative, rather than judicial, forum is appropriate. 42 U.S.C. § 7413(d).

8. EPA has determined jointly with the Department of Justice that this matter is appropriate for an administrative penalty action under Section 113(d) of the CAA, 42 U.S.C. § 7413(d).

#### **IV. GENERAL ALLEGATIONS**

9. Respondent is an incorporated entity under the laws of the State of Rhode Island.

10. Respondent owns and/or operates a recycling facility at 405 Nooseneck Hill Road, Exeter, Rhode Island, which EPA inspected on July 28, 2017.

11. At its facility, Respondent accepts, processes, and recycles metal materials such as motor vehicles, small appliances, and room air conditioners.

12. On November 14, 2017, EPA issued a CAA Reporting Requirement to Connecticut Scrap, LLC, which responded on behalf of Respondent on January 2, 2018.

13. Pursuant to 40 C.F.R. §82.155(b), any entity that takes the final step in the disposal process is required to keep any signed agreements or contracts verifying that all refrigerant that had not leaked previously had been recovered from appliances or shipments of appliances. In its January 2, 2018 response to EPA's Reporting Requirement, Connecticut Scrap LLC did not provide any such signed agreements or contracts.

14. On May 25, 2018, EPA issued a CAA Notice of Violation to Respondent.

15. On July 31, 2018, EPA issued a CAA Administrative Order to Respondent directing Respondent to comply with Subpart F. See 42 U.S.C. § 7413(a)(3) (authorizing EPA to issue administrative orders for violations of Subchapter I of the CAA).

#### **V. VIOLATIONS**

16. Based upon EPA's compliance inspection described above and additional information, EPA has identified the following violations of the CAA and its implementing regulations:

Alleged Violations of Subpart F

17. Under 40 C.F.R. §82.155(b), the final processor—i.e., the person who takes the final step in the disposal process (including, but not limited, to scrap recyclers and landfill operators) of a small appliance, motor vehicle air conditioner (“MVAC”), or MVAC-like appliance—must either:

- a. Recover any remaining refrigerant from the appliance in accordance with paragraph (a) of 40 C.F.R. §82.155; or
- b. Verify using a signed statement or a contract that all refrigerant that had not leaked previously has been recovered from the appliance or shipment of appliances in accordance with paragraph (a) of 40 C.F.R. §82.155. If using a signed statement, it must include the name and address of the person who recovered the refrigerant and the date the refrigerant was recovered. If using a signed contract between the supplier and the final processor, it must either state that the supplier will recover any remaining refrigerant from the appliance or shipment of appliances in accordance with paragraph (a) of 40 C.F.R. §82.155 prior to delivery or verify that the refrigerant had been properly recovered prior to receipt by the supplier.

18. Under 40 C.F.R. §82.155(c), the final processor of a small appliance, MVAC, or MVAC-like appliance must keep a copy of all the signed statements or contracts obtained under paragraph (b)(2) of 40 C.F.R. §82.155 on-site, in hard copy or in electronic format, for three years.

19. Respondent is a final processor of small appliances, MVACs, or MVAC-like appliances.

**Count One – Failure to Properly Recover Refrigerant or Verify Recovery**

20. Complainant hereby incorporates by reference Paragraphs 1 through 19.

21. The Respondent failed to properly recover refrigerant and/or verify that refrigerant had been recovered from any materials containing refrigerant using signed statements or contracts. These failures continued daily during business days at least from March 7, 2017 through December 31, 2017. (Respondent has represented that it began verifying that refrigerant had been recovered beginning on January 1, 2018.)

22. The Respondent has failed to keep copies of the signed statements or contracts on-site, in hard copy or in electronic format, for three years. These failures continued daily during business days at least from March 7, 2017 through December 31, 2017. (Respondent has represented that it began maintaining verification statements beginning on January 1, 2018.)

23. Accordingly, the Respondent has violated 40 C.F.R. §§ 82.155(a), (b), and (c).

**VI. PROPOSED CIVIL PENALTY**

24. Complainant proposes a civil penalty against Respondent of \$61,189 for the alleged violations.

25. In determining the amount of the penalty to be assessed under Section 113 of the CAA, EPA must take into consideration the size of the violator's business, the economic impact of the penalty on the business, the violator's full compliance history and good faith efforts to comply, the duration of the violations, payment by the violator of penalties previously assessed for the same violations, the economic benefit of the violations, the seriousness of the violations, and such other factors as justice may require. See CAA Section 113(e), 42 U.S.C. § 7413(e).

26. In proposing a penalty for the violations set forth in this Complaint, Complainant has taken into account the particular facts and circumstances of this case, the statutory penalty

factors listed in CAA Section 113(e), and EPA's *Clean Air Act Stationary Source Penalty Policy* ("Penalty Policy"), dated October 25, 1991, a copy of which is attached to this Complaint. The Penalty Policy assigns penalty components reflecting the seriousness or the gravity of the violations and the size of the violator's business. The Penalty Policy also provides for a penalty component to recover the estimated economic benefit Respondent derived from the violations. Adjustments to a proposed penalty are considered in light of the violator's degree of willfulness or negligence in committing the violations, its degree of cooperation with the EPA, any good faith efforts to comply, and any pertinent compliance history or previous penalty payments for the same violation.

27. The penalty to be assessed may be considered in light of any evidence presented by Respondent that the proposed penalty would impair Respondent's ability to continue in business. To support such a claim, Respondent must provide Complainant with adequate financial documentation.

28. As required by 40 C.F.R. § 22.14(a)(4)(i), a brief explanation of the penalty sought for each violation is set forth below. Each violation of the CAA is subject to a civil penalty of up to \$48,192 per day. 42 U.S.C. § 7413(a) and (d); 40 C.F.R. Part 19.4 (Table 1).

#### Proposed Penalty for Violations of Subpart F

29. For the failure to properly recover refrigerant or verify recovery, Complainant proposes to assess an inflation-adjusted penalty of \$61,189, calculated pursuant to the Penalty Policy. The amount is comprised of the following amounts: (i) \$15,000 for importance of compliance with the requirement to achieving the goals of the Clean Air Act; (ii) \$15,000 for the duration of the violations; (iii) and \$26,189 for inflation for the previous amounts; and (iv) \$5,000 to reflect the relatively small size of the violator. For the purposes of the penalty

calculation, the duration of the violation was assumed to be for 10 months between March 7, 2017 and December 31, 2017.

## **VII. OPPORTUNITY TO REQUEST A HEARING AND FILE AN ANSWER**

30. In accordance with Section 113 of the CAA and 40 C.F.R. § 22.14, Respondent has the right to request a formal hearing to contest any material fact alleged in this Complaint or to contest the appropriateness of the proposed penalty. **To request a hearing, Respondent must file a written Answer within thirty (30) days of Respondent's receipt of this Complaint.** Respondent shall send the Answer to the Regional Hearing Clerk at the following address:

Regional Hearing Clerk  
U.S. Environmental Protection Agency, Region 1  
5 Post Office Square – Suite 100 (Mail Code ORA18-1)  
Boston, Massachusetts 02109-3912

31. Respondent shall serve copies of the Answer and any subsequent pleadings that Respondent files in this action to the following address:

John W. Kilborn, Senior Enforcement Counsel  
U.S. Environmental Protection Agency, Region 1  
5 Post Office Square – Suite 100 (Mail Code 04-3)  
Boston, Massachusetts 02109-3912  
[Kilborn.john@epa.gov](mailto:Kilborn.john@epa.gov)  
617-918-1893

32. Any such hearing would be conducted in accordance with the Consolidated Rules of Practice, 40 C.F.R. Part 22 (copy attached). See 40 C.F.R. § 22.15 for the required contents of the Answer.

33. Respondent has a continuing obligation to comply with the CAA, with the terms and conditions of any applicable permits, the Administrative Order, and with any other order issued under Section 113 of the CAA, 42 U.S.C. § 7413.



### **VIII. DEFAULT ORDER**

34. Respondent may be found to be in default pursuant to 40 C.F.R. § 22.17 if the Respondent fails to file a timely Answer to the Complaint. For the purposes of this action only, default by Respondent would constitute an admission of all facts alleged in the Complaint and a waiver of Respondent's right to contest such factual allegations. Any penalty assessed in the default order would be due and payable by Respondent without further proceedings after the default order becomes final under 40 C.F.R. § 22.27(c).

### **IX. SETTLEMENT CONFERENCE**

35. Respondent may confer informally with EPA concerning the alleged violations. Such a conference provides Respondent with an opportunity to provide whatever additional information may be relevant to the disposition of this matter. Any settlement would be made final by the issuance of a written Consent Agreement and Final Order by the Regional Judicial Officer of EPA Region I.

36. Please note that a request for an informal settlement conference does not extend the period for filing a written Answer. To explore the possibility of settlement in this matter, Respondent should contact John W. Kilborn, Senior Counsel, at (617) 918-1893. Pursuant to 40 C.F.R. § 22.5(c)(4), John W. Kilborn is authorized to receive service on behalf of EPA at the

*In the Matter of Exeter Scrap Metal, LLC./Docket No. CAA-01-2020-0039*

address listed above in Paragraph 31. Pursuant to 40 C.F.R. § 22.5(b)(2), EPA consents to service by email at Kilborn.john@epa.gov.



Karen McGuire, Director  
Enforcement and Compliance Assurance Division  
U.S. Environmental Protection Agency, Region 1  
5 Post Office Square, Suite 100  
Boston, MA 02109-3912

2-6-20  
Date

Attachments: *Clean Air Act Stationary Source Penalty Policy*  
*Consolidated Rules of Practice: 40 C.F.R. Part 22*

In re: Exeter Scrap Metal, LLC/EPA Docket No. CAA-01-2020-0039

CERTIFICATE OF SERVICE

I hereby certify that an *Administrative Complaint and Notice of Opportunity for a Hearing* has been sent to the following persons on the date and in the manner noted below:

Original and one copy,  
hand-delivered:

Ms. Wanda Santiago, Regional Hearing Clerk  
U.S. EPA, Region I  
5 Post Office Square, Suite 100  
Boston, MA 02109-3812

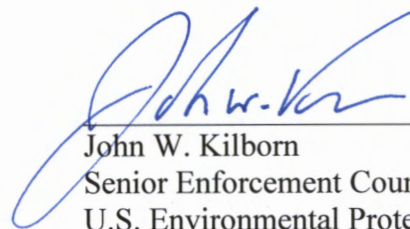
Copy, by Overnight Mail:

David Waddington, Owner  
Exeter Scrap Metal, LLC.  
140 Route 32  
North Franklin, CT 06254

Cindy J. Karlson, Esq.  
Law Offices of Cindy J. Karlson, LLC  
575 Groton Long Point Road  
Groton, CT 06340

Date:

02/06/2020



John W. Kilborn  
Senior Enforcement Counsel  
U.S. Environmental Protection Agency, Region 1  
5 Post Office Square, Suite 100  
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