



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

AUG 05 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Louise Hodges
Greenbug, Inc.
5 Burckmyer Drive
Beaufort, South Carolina 29907

Re: Greenbug, Inc.
Ratified Consent Agreement and Final Order
Docket No. FIFRA-04-2015-3003(b)

Dear Ms. Hodges:

Enclosed is a copy of the ratified Consent Agreement and Final Order (CAFO) in the above-referenced matter. The original CAFO has been filed with the Regional Hearing Clerk and served on the parties as directed in Section 22.6 of the Consolidated Rules of Practice, 40 C.F.R. Part 22.

Please refer to Section V of the CAFO for penalty information and payment requirements. To ensure proper processing, the respondent name and docket number for this case, identified above and in the CAFO, should be noted on any cashier's or certified check submitted in payment of the penalty.

Also enclosed is a copy of a document entitled "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts you on notice of your potential duty to disclose to the Securities and Exchange Commission any environmental enforcement actions taken by the U. S. Environmental Protection Agency. Where used in the document "SEC" refers to the Securities and Exchange Commission. Should you have any questions about this matter or your compliance status in the future, please contact Kimberly Tomczak of the EPA Region 4 staff at (404) 562-8987.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony G. Toney for".

Anthony G. Toney

Chief

Chemical Safety and Enforcement Branch

Enclosures

cc: Mike Weyman
Clemson University Department of Pesticide

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA, GEORGIA**

In the Matter of:)
)
Greenbug, Inc.)
)
Respondent)
_____)

Docket No.: FIFRA-04-2015-3003(b)

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CONSENT AGREEMENT AND FINAL ORDER

I. Nature of the Action

1. This is a civil penalty proceeding pursuant to Section 14(a) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. § 136l(a) (FIFRA), and pursuant to the Consolidated Rules of Practice Governing Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. Part 22. Complainant is the Director of the Air, Pesticides and Toxics Management Division, United States Environmental Protection Agency, Region 4. Respondent is Greenbug, Inc.
2. The authority to take action under Section 14(a) of FIFRA, 7 U.S.C. § 136l(a), is vested in the Administrator of the EPA. The Administrator of the EPA has delegated this authority under FIFRA to the EPA Region 4 by the EPA Delegation 5-14, dated May 11, 1994. The Regional Administrator, Region 4, has redelegated this authority to the Director, Air, Pesticides and Toxics Management Division, by the EPA Region 4 Delegation 5-14, dated September 7, 2005.
3. Pursuant to that Delegation, the Director of the Air, Pesticides and Toxics Management Division has the authority to commence an enforcement action as the Complainant in this matter, and has the authority to sign consent agreements memorializing settlements between the EPA and Respondent.

4. Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 C.F.R. § 22.18 and desire to resolve this matter and settle the allegations described herein without a formal hearing. Therefore, without the taking of any evidence or testimony, the making of any argument, or the adjudication of any issue in this matter, and in accordance with 40 C.F.R. § 22.13(b), this Consent Agreement and Final Order (CAFO) will simultaneously commence and conclude this matter.

II. Preliminary Statements

5. Pursuant to 40 C.F.R. § 22.5(c)(4) the following individual is authorized to receive service for the EPA in this proceeding:

Kimberly Tomczak
Pesticides Section
U.S. EPA - Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303-8960
(404) 562-8987

6. Respondent is Greenbug, Inc., a South Carolina corporation, located at 5 Burckmyer Drive, Beaufort, South Carolina 29907.
7. Respondent is a "person" as defined by Section 2(s) of FIFRA, 7 U.S.C. § 136(s), and as such is subject to FIFRA and the regulations promulgated thereunder.

III. Specific Allegations

8. On or about December 22, 2014, an authorized representative of the EPA conducted a review of the Greenbug, Inc. website found at www.greenbugallnatural.com.
9. At the time of the review, the following products were observed on the Respondent's website: Greenbug for People, Greenbug for Pets and Greenbug for Outdoors.
10. The label on the products made pesticidal claims such as: "The Green Way to Wipe out Bugs," "Contact killer & repellent for mosquitoes, fleas, bed bugs, mites, no-see-ems, lice and many

more,” “Proven Safe & Effective” and “Green bug is the ultimate “green,” “pests will either die or do all they can to stay away” and “Repels mosquitoes, ticks, bed bugs, sand fleas, head lice, fire ants, etc.”

11. Because the labels of Greenbug for People, Greenbug for Outdoors and Greenbug for Pets bore pesticidal claims, these products were “pesticides” at the time of the review, as defined in Section 2(u) of FIFRA, 7 U.S.C. § 136(u), which includes any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest.
12. A pest is defined in Section 2(t) of FIFRA, 7 U.S.C. § 136(t), as any insect, rodent, nematode, fungus, weed, or any other form of terrestrial or aquatic plant or animal life or virus, bacteria, or other micro-organism (except viruses, bacteria, or other microorganisms on or in living man or other living animals) which the Administrator declares to be a pest under Section 25(c)(1) of FIFRA, 7 U.S.C. § 136w(c)(1).
13. Respondent “distributes or sells” pesticides. The term “to distribute or sell” as defined by Section 2(gg) of FIFRA, 7 U.S.C. § 136(gg), includes to distribute, sell, offer for sale, hold for distribution, hold for sale, hold for shipment, ship, deliver for shipment, or release for shipment.
14. Pesticides that are sold and distributed in the United States are required to be registered with the EPA, pursuant to Section 3 of FIFRA, 7 U.S.C. § 136a.
15. Under 40 C.F.R. § 152.25(f), pesticide products that contain certain listed active ingredients, by themselves or in combination with other listed active ingredients, are considered minimum risk pesticides and are exempt from the requirements of FIFRA, provided that all criteria set forth in 40 C.F.R. § 152.25(f) are met. These criteria require that any inert ingredients are listed in the most current List 4A; that the product label identifies the name and percentage by weight of each active ingredient and the name of each inert agreement; that the product does not bear claims that

16. it controls or mitigates microorganisms that pose a threat to human health; and that the label does not include any false or misleading statements, including those listed in 40 C.F.R § 156.10(a)(5)(i) through (viii).
17. Based on EPA's review of the Respondent's website in December 2014, EPA observed that the Respondent made pesticidal claims about the products. EPA reviewed the labels for Greenbug for People, Greenbug for Outdoors and Greenbug for Pets and found the labels included an active ingredient that is on the exempted products active ingredients list found at 40 C.F.R. § 152.25(f). Additionally, the labels included inert ingredients that were listed on the current List 4A. However, the labels for Greenbug for People, Greenbug for Outdoors and Greenbug for Pets bore false or misleading statements, including, but limited to, claims that the products were safe to use and that the products are on an EPA list. Therefore, the products referenced above did not qualify for the minimum risk pesticide exemption under Section 25(b) of FIFRA, 7 U.S.C. § 136w(b), and 40 C.F.R. § 152.25(f), and were required to be registered under Section 3 of FIFRA.
18. At the time of inspecting Respondent's website, Greenbug for People, Greenbug for Outdoors and Greenbug for Pets were not registered as pesticides with the EPA.
19. Under Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A), it is unlawful for any person to distribute or sell to any person any pesticide that is not registered under Section 3 of FIFRA, 7 U.S.C. § 136a.
20. Respondent violated Section 12(a)(1)(A) of FIFRA, 7 U.S.C. § 136j(a)(1)(A), on at least two occasions and is therefore subject to the assessment of civil penalties under Section 14 of FIFRA, 7 U.S.C. § 136l.

21. Section 14(a) of FIFRA, 7 U.S.C. § 136l(a), in conjunction with the Debt Collection Improvement Act of 1996, authorizes the assessment of a civil penalty.
22. Section 14(a)(4) of FIFRA, 7 U.S.C. § 136l(a)(4), requires the EPA to consider the appropriateness of the assessed penalty to the size of business of the Respondent, the effect on Respondent's ability to continue in business, and the gravity of the violation.
22. After consideration of the factors set forth in Section 14(a)(4) of FIFRA, 7 U.S.C. § 136l(a)(4), the EPA proposes to assess a total civil penalty of **FOUR THOUSAND FIVE HUNDRED AND NINETY DOLLARS (\$4,590)** against the Respondent for the above-described violations. Civil penalties under Section 14(a) of FIFRA, 7 U.S.C. § 136l(a), may be assessed by Administrative Order.

IV. Consent Agreement

23. For the purposes of this CAFO, Respondent admits the jurisdictional allegations set forth above and neither admits nor denies the factual allegations set forth above.
24. Respondent waives its right to a hearing on the allegations contained herein and its right to appeal the proposed Final Order accompanying the Consent Agreement.
25. Respondent consents to the assessment of the penalty proposed by the EPA and agrees to pay the civil penalty as set forth in this CAFO.
26. Respondent certifies that as of the date of its execution of this CAFO, Respondent has revised its labels and that it is now in compliance with all relevant requirements of FIFRA.
27. Compliance with this CAFO shall resolve the allegations of the violations contained herein. This CAFO shall not otherwise affect any liability of Respondent to the United States. Other than as expressed herein, neither the EPA nor Complainant waives any right to bring an enforcement action against Respondent for violation of any federal or state statute, regulation or permit, to initiate an action for imminent and substantial endangerment, or to pursue criminal enforcement.

28. Complainant and Respondent agree to settle this matter by their execution of this CAFO. The parties agree that the settlement of this matter is in the public interest and that this CAFO is consistent with the applicable requirements of FIFRA.

V. Final Order

29. Respondent is assessed a civil penalty of **FOUR THOUSAND FIVE HUNDRED AND NINETY DOLLARS (\$4,590)**, which shall be paid within 30 days from the effective date of this CAFO. Respondent shall remit the penalty by either a cashier's or certified check made payable to the "Treasurer, United States of America," and shall send the penalty payment by one of the methods below. **The check shall reference on its face the name of the Respondent and Docket Number of this CAFO.**

30. Address for payment submittal using the United States Postal Service (excluding USPS overnight mail):

U.S. Environmental Protection Agency
Cincinnati Finance Center Box
St. Louis, Missouri 63197-9000

Address for payments by USPS overnight mail or other delivery service (e.g., Federal Express, United Parcel Service, DHL, etc.):

U.S. Environmental Protection Agency
Government Lockbox 979077
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, Missouri 63101
Contact Number: (314) 425-1818.

31. At the time of payment, Respondent shall send a separate copy of the check and a written statement that the payment is being made in accordance with this CAFO, to the following persons at the following addresses:

Regional Hearing Clerk
U.S. EPA - Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303-8960;

Kimberly Tomczak
Pesticides Section
U.S. EPA - Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303-8960; and

Saundi J. Wilson
Office of Environmental Accountability
U.S. EPA - Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303-8960.

32. For the purposes of state and federal income taxation, Respondent shall not be entitled, and agrees not to attempt, to claim a deduction for any civil penalty payment made pursuant to this CAFO. Any attempt by Respondent to deduct any such payments shall constitute a violation of this CAFO.
33. Pursuant to 31 U.S.C. § 3717, the EPA is entitled to assess interest and penalties on debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest will therefore begin to accrue on the civil penalty from the effective date of this CAFO, if the penalty is not paid by the date required. A charge will also be assessed to cover the administrative costs, both direct and indirect, of overdue debts. In addition, a late payment penalty charge shall be applied on any principal amount not paid within 90 days of the due date.
34. Complainant and Respondent shall bear their own costs and attorney fees in this matter.
35. This CAFO shall be binding upon the Respondent, its successors and assigns. Each undersigned representative of the parties to this CAFO certifies that he or she is fully authorized by the party represented to enter into this CAFO and hereby legally binds that party to it.

The remainder of this page intentionally left blank.

VI. Effective Date

36. The effective date of this CAFO shall be the date on which the CAFO is filed with the Regional Hearing Clerk.

AGREED AND CONSENTED TO:

Respondent: Greenbug, Inc.

Docket No.: FIFRA-04-2015-3003(b)

By:  (Signature)

Date: July 27, 2015

Name: LOUISE R. HODGES (Typed or Printed)

Title: PRESIDENT (Typed or Printed)

Complainant: U. S. Environmental Protection Agency

By:  

Date: 7/31/15

Beverly H. Banister, Director
Air, Pesticides and Toxics Management Division

APPROVED AND SO ORDERED this 5th day of August 2015.



Tanya Floyd
Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that on the date set out below, I filed the original and one copy of the foregoing Consent Agreement and Final Order and served a true and correct copy of the foregoing Consent Agreement and Final Order In the Matter of Greenbug, Inc., Docket Number: FIFRA-04-2015-3003(b), to the addressees listed below:

Ms. Louise Hodges
Greenbug, Inc.
5 Burckmyer Drive
Beaufort, SC 29907

(via Certified Mail, Return Receipt Requested)

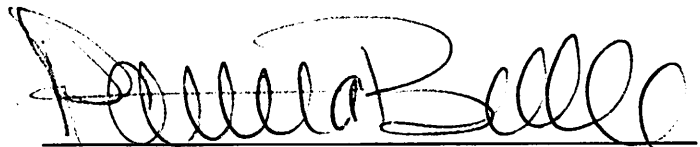
Kimberly Tomczak
Pesticides Section
U.S. EPA Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303

(via EPA's internal mail)

Robert Caplan
Associate Regional Counsel
Office of Environmental Accountability
U.S. EPA Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303

(via EPA's internal mail)

Date: 8-5-15



Patricia A. Bullock, Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street
Atlanta, Georgia 30303
(404) 562-9511