

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C.

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2014 MAR 19 PM 4:24

In the Matter of:

Lu Yuan, Inc., and  
Zhejiang Yongkang Luyuan Industrial &  
Trading, Co., Ltd.,

Respondents.

Docket No.  
CAA-HQ-2014-7829

**COMPLAINT**

**Preliminary Statement**

1. This Complaint commences an administrative penalty assessment proceeding under section 205(c)(1) of the Clean Air Act (“CAA”), 42 U.S.C. § 7524(c)(1), and the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/ Termination or Suspension of Permits,” 40 C.F.R. Part 22 (“Consolidated Rules”). 40 C.F.R. § 22.13(a).
2. Complainant in this matter is the United States Environmental Protection Agency (“EPA”). On the EPA’s behalf, Phillip A. Brooks, Director, Air Enforcement Division, Office of Civil Enforcement, Office of Enforcement and Compliance Assurance, is authorized by lawful delegation to issue an administrative complaint under section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1). EPA Delegation 7-6-A (August 4, 1994); Office of Enforcement and Compliance Assurance Redeflegation 7-6-A (March 5, 2013); Office of Civil Enforcement Redeflegation 7-6-A (March 5, 2013).
3. Respondents in this matter are Lu Yuan, Inc. (Lu Yuan), and Zhejiang Yongkang Luyuan Industrial & Trading, Co., Ltd. (Yongkang Luyuan) (collectively, “Respondents”).

4. Respondents are persons under section 302(e) of the CAA, 42 U.S.C. § 7602(e).
5. Lu Yuan and Yongkang Luyuan are vehicle manufacturers. Lu Yuan obtains from the EPA the certificates of conformity required by the CAA to import or introduce Lu Yuan's and Yongkang Luyuan's vehicles into United States commerce.
6. Lu Yuan is incorporated under the laws of California and is located at 19295 E. Walnut Dr. N, Unit E, City of Industry, CA 91748. Yongkang Luyuan is located at 14 Dongta Road, Dongcheng Street, Yongkang, Zhejiang China.
7. GangYi Ying is the registered agent for receipt of service of process for Lu Yuan and is located at 19295 E. Walnut Dr. N, Unit E, City of Industry, CA 91748.
8. According to applications for certificates of conformity that Lu Yuan submitted to the EPA, Lu Yuan is a wholly owned subsidiary of Yongkang Luyuan.
9. According to applications for certificates of conformity that Lu Yuan submitted to the EPA, GangYi Ying is President of Lu Yuan, is Lu Yuan's authorized representative for CAA certification matters, is also General Manager of Yongkang Luyuan, and can be contacted at the email address [luyuanUSA@gmail.com](mailto:luyuanUSA@gmail.com) regarding each of these positions.
10. Upon information and belief, Jinhua City Bureau of Administration of Industry and Commerce is the registering authority of Yongkang Luyuan. According to the website of Jinhua City Bureau of Administration of Industry and Commerce, Gang Yi Ying is the "legal representative" of Yongkang Luyuan.
11. As of January 30, 2014, Lu Yuan's website provided the addresses of both Lu Yuan and Yongkang Luyuan as points of contact.
12. The EPA makes the Alleged Violations of Law, below, based on inspections of Respondents' vehicles between March 2009 and July 2013, performed by the EPA, EPA

contractors, or employees of the United States Department of Homeland Security's Bureau of Customs and Border Protection.

### **Jurisdiction**

13. This action is brought under section 205(c)(1) of the CAA, 42 U.S.C. § 7524(c)(1), and the Consolidated Rules.
14. The EPA may administratively assess a civil penalty if the penalty sought is less than \$320,000, unless the EPA and the United States Department of Justice jointly determine that a matter involving a larger penalty amount is appropriate for administrative penalty assessment. CAA section 205(c)(1), 42 U.S.C. § 7524(c)(1), 40 C.F.R. § 1068.125(b). *See also* 40 C.F.R. § 19.4 (adjusting the statutory amount for inflation).
15. The Environmental Appeals Board acts as the Presiding Officer for this proceeding until Respondents file an Answer because the Complainant commences this administrative penalty assessment proceeding at EPA Headquarters. 40 C.F.R. § 22.4(a)(1); EPA Delegation 1-38-B.

### **Governing Law**

16. This proceeding arises under Part A of Title II of the CAA, 42 U.S.C. §§ 7521–7554, and the regulations promulgated there under. These laws aim to reduce emissions from mobile sources of air pollution, including hydrocarbons, oxides of nitrogen, and carbon monoxide.
  - (a) The alleged violations of law pertain to motor vehicles, specifically highway motorcycles, for which 40 C.F.R. Part 86 sets emission standards and CAA section 203, 42 U.S.C. § 7522, sets compliance provisions. The certification, labeling, and recordkeeping requirements described below became applicable to

gasoline-fueled highway motorcycles beginning with the 1978 model year.

40 C.F.R. §§ 86.401-97, 86.407-78(a).

- (b) The alleged violations of law also pertain to recreational vehicles, for which 40 C.F.R. Part 1051 sets emission standards and 40 C.F.R. Part 1068 sets compliance provisions. *See* CAA section 213(d), 42 U.S.C. § 7547(d) (delegating to the EPA the authority to implement rules for nonroad vehicles akin to the detailed provisions for motor vehicles found in the CAA itself).

17. Definitions:

- (a) “Adjustable parameter” means any device, system, or element of design that someone can adjust (including those which are difficult to access) and that, if adjusted, may affect emissions or engine performance during emission testing or normal in-use operation. 40 C.F.R. § 1051.801.
- (b) “Commerce” means commerce between any place in any State and any place outside thereof. CAA section 216(6), 42 U.S.C. § 7550(6).
- (c) “Engine family” means a group of engines of a single model year that are expected to have similar emission characteristics throughout their useful life. 40 C.F.R. §§ 86.420-78, 1051.230.
- (d) “Manufacturer” means any person engaged in the manufacturing or assembling of new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines, or importing such vehicles or engines for resale, or who acts for and is under the control of any such person in connection with the distribution of new motor vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines, but shall not include any dealer with respect to new motor

vehicles, new motor vehicle engines, new nonroad vehicles or new nonroad engines received by him in commerce. CAA section 216(1), 42 U.S.C. § 7550(1); 40 C.F.R. § 1051.801.

- (e) “Model year” means a manufacturer’s annual production period (as determined by the Administrator) which includes January first of such calendar year. If the manufacturer has no annual production period, the term model year shall mean the calendar year. 40 C.F.R. §§ 86.402-78, 1051.801.
- (f) “Motor vehicle” has the meaning provided in CAA section 216(2), 42 U.S.C. § 7550(2), and 40 C.F.R. § 85.1703.
- (g) “Highway Motorcycle” means any motor vehicle with a headlight, taillight, and stoplight and having: two wheels, or three wheels and a curb mass less than or equal to 793 kilograms (1749 pounds). 40 C.F.R. § 86.402-98.
- (h) Highway motorcycles and recreational vehicles are considered “new” at the time of importation. CAA section 216(3), 42 U.S.C. § 7550(3); 40 C.F.R. § 1051.801.
- (i) “Other adjustments” include changes to a recreational vehicle’s air-fuel ratio that can be made by an experienced mechanic in less than one hour and with a few parts whose total cost is under \$50 (in 2001 dollars). 40 C.F.R. § 1051.115(d).
- (j) “Person” includes individuals, corporations, partnerships, associations, states, municipalities, and political subdivisions of a state. CAA section 302(e), 42 U.S.C. § 7602(e).
- (k) “Recreational Vehicle” has the meaning provided in 40 C.F.R. § 1051.801. The term includes, *inter alia*, ATVs and off-road motorcycles. 40 C.F.R. § 1051.801 defines “all-terrain vehicle” as a nonroad vehicle that is either: (a) designed to

travel on four low-pressure tires, has a seat designed to be straddled by the operator and handlebars for steering control, and is intended for use by a single operator and no other passengers; or (b) has three or more wheels and one or more seats, is designed for operation over rough terrain, is intended primarily for transportation, and has a maximum vehicle speed of 25 miles per hour or higher.

18. Certification Requirements:

- (a) The EPA's certification program is designed to ensure that every regulated vehicle sold or imported into the United States conforms in all material respects to a vehicle that has been tested by the manufacturer and approved by the EPA on the basis of those tests and other requirements of the regulations. The EPA approves regulated vehicles by issuing certificates of conformity. CAA sections 202 and 203, 42 U.S.C. §§ 7521 and 7522.
- (b) To obtain a certificate of conformity, a manufacturer must submit an application for a certificate of conformity to the EPA for the engine family and model year that it intends to manufacture and sell in the United States. 40 C.F.R. §§ 86.416-80, 1051.201(a).
- (c) The application for a certificate of conformity must include, among other things, identification of the covered engine family, a description of the vehicles and their emission control system, and test results from a prototype emissions data vehicle (EDV), showing that the EDV satisfies the emission standards in 40 C.F.R. § 86.410-2006 (highway motorcycles) or 40 C.F.R. § 1051.107 (all-terrain vehicles, off-road motorcycles, subsets of recreational vehicles). 40 C.F.R. §§ 86.416-80, 1051.205.

- (d) In the case of highway motorcycles, the application for a certificate of conformity must also include a description of all fuel system components and the range of available fuel and ignition system adjustments on the vehicle. 40 C.F.R. § 86.416-80. This description must specify all adjustable parameters, and the EPA has determined that adjustment of the following parameters may affect emissions: idle mixture screw (a low-speed, fuel-system adjustment of the air-to-fuel ratio) and a jet needle with multiple grooves for adjustment (a mid-range, fuel-system adjustment of the air-to-fuel ratio). 40 C.F.R. §§ 86.416-80(a)(2)(ii), 86.428-80(d). In reviewing an application for a certificate of conformity, the EPA evaluates the adjustability of the parameters based on information provided in the application for a certificate of conformity. Upon inspection, if and when that occurs, to determine the adequacy of stops, seals, or locks, the EPA will consider whether the average operator or mechanic could deactivate the stops, seals, or locks in a reasonable amount of time using common hand tools. EPA Advisory Circular MC-6 (1978), *available at* [http://iaspub.epa.gov/otaqpub/display\\_file.jsp?docid=14384&flag=1](http://iaspub.epa.gov/otaqpub/display_file.jsp?docid=14384&flag=1) (last visited March 12, 2014).
- (e) In the case of recreational vehicles, the application for a certificate of conformity must also describe all adjustable parameters and other adjustments on vehicles in the engine family. 40 C.F.R. § 1051.205(q). Where a recreational vehicle has adjustable parameters or other adjustments, the applicant must demonstrate that the vehicle meets emission standards throughout the adjustable range. 40 C.F.R. § 1051.115(c), (d).

- (f) Crankcase emissions from a vehicle may not be directly discharged into the atmosphere. 40 C.F.R. §§ 86.410-2006(d), 1051.115(a)
- (g) Once issued, a certificate of conformity covers only those vehicles that are: within the engine family specified in the application; manufactured by the manufacturer so named in the application for a certificate of conformity; marketed with a model name specified in the application; within the appropriate category of equipment; produced during the model year; and imported subsequent to the effective date of the certificate of conformity. CAA section 203(a)(1), 42 U.S.C. § 7522(a)(1), 40 C.F.R. §§ 86.407-78(a), 86.437(a)(2), 86.437-78(a)(2)(ii)-(iii), 86.437-78(b)(3)–(4), 1051.201(a), 1051.205, 1068.101(a)(1)(i), (b)(5), 1068.103(a), (c)(2).
- (h) The EPA issues a certificate of conformity on such terms as the EPA deems necessary to ensure that any new motorcycle covered by the certificate of conformity will meet the requirements of the CAA and its regulations. 40 C.F.R. § 86.437-78(a)(2)(ii), (b)(3).
- (i) By the terms on the face of each issued certificate of conformity, a certificate of conformity covers only those highway motorcycles that conform in all material respects to the EDV tested for that certificate of conformity and all other specifications in the application for a certificate of conformity. *See also* 40 C.F.R. § 86.437-78(a)(2)(iii), (b)(4).
- (j) A certificate of conformity covers only those recreational vehicles that conform in all material respects to the specifications in the application for a certificate of conformity. 40 C.F.R. § 1068.103.



- (k) The CAA prohibits manufacturers of new motor vehicles and non-road vehicles from selling, offering for sale, or introducing or delivering for introduction into commerce—or causing any of the foregoing with respect to—any new motor vehicle unless the vehicle is covered by a certificate of conformity issued by the EPA under regulations prescribed by the CAA. CAA sections 203(a)(1) and 213(d), 42 U.S.C. §§ 7522(a)(1), 7547(d), 40 C.F.R. § 1068.101(a)(1).
- (l) The CAA prohibits any person from importing or causing another to import a new motor vehicle or non-road vehicle into the United States, unless that new motor vehicle is covered by an EPA-issued certificate of conformity. CAA sections 203(a)(1) and 213(d), 42 U.S.C. §§ 7522(a)(1), 7547(d), 40 C.F.R. § 1068.101(a)(1).
- (m) No person may sell, offer for sale, introduce into commerce, deliver for introduction into commerce, or import into the United States a recreational vehicle—or cause any of the foregoing—unless that recreational vehicle is covered by an EPA-issued certificate of conformity. 40 C.F.R. § 1068.101(a)(1).

19. Label Requirements:

- (a) A manufacturer may not sell, offer for sale, introduce into commerce, deliver for introduction into commerce, or import into the United States a recreational vehicle—or cause any of the foregoing—unless that vehicle bears a compliant emission control information (ECI) label. 40 C.F.R. § 1068.101(a)(1).
- (b) An ECI label is compliant only if it states that the recreational vehicle is covered by a certificate of conformity, includes specific emission-related information,

identifies the emission control system, and is attached so that it is not removable without being destroyed or defaced. 40 C.F.R. § 1051.135.

20. Anyone who, between January 12, 2009 and December 5, 2013, sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported into the United States a highway motorcycle or recreational vehicle that was not covered by a certificate of conformity or was improperly labeled—or anyone who caused any of the foregoing—is subject to a civil penalty of up to \$37,500 for each such vehicle. CAA section 205(a), 42 U.S.C. § 7524(a); 40 C.F.R. §§ 19.4, 1068.101(a)(1), (b)(6), (c).

#### **Alleged Violations of Law**

21. Respondents are each “persons.”
22. Respondents are each “manufacturers.”
23. Lu Yuan submitted applications for certificates of conformity, and the EPA granted certificates of conformity, for every engine family at issue in this matter.
24. Yongkang Luyuan produced each vehicle at issue in this matter except as noted below.
25. Highway Motorcycle Certification Violations: The EPA alleges that in violation of section 203(a)(1) of the CAA, 42 U.S.C. § 7522(a)(1), and 40 C.F.R. Part 86, Subpart E, Respondents sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported—or caused the foregoing with respect to—approximately 192 uncertified highway motorcycles manufactured by Zhejiang Chaozhong Industrial Co., Ltd., and purportedly certified by Chaozhong Industrial, Inc. (Subject Motorcycles). Table A, below, details the Subject Motorcycles, the corresponding alleged violations, and the year of the alleged violations. Each Subject Motorcycle is a highway motorcycle

subject to the CAA. The EPA alleges the following four counts based on highway motorcycles certification violations:

<b>Table A: Subject Motorcycles</b>		
<b>Purported Engine Family</b>	<b>Year of Violation</b>	<b>Total Vehicles and Violation Type(s)</b>
7CHZX.250DMS	2009	96 (a.)(b.)(c.)(d.)
8CHZX.250DMA	2009	96 (a.)(b.)(c.)(d.)
<b>Total</b>		<b>192</b>

<b>Legend: Types of Violations for Counts 1 to 4</b>	
(a.) –	Uncertified: No certificate of conformity for highway motorcycles.
(b.) –	Uncertified: Crankcase of vehicle open to the atmosphere
(c.) –	Uncertified: Catalyst does not conform to specifications in the application for a certificate of conformity
(d.) –	Uncertified: Carburetor does not conform to specifications in the application for a certificate of conformity

- (a) COUNT ONE regarding 192 highway motorcycles purportedly covered by the certificate of conformity for engine family 7CHZX.250DMS or 8CHZX.250DMA: These Subject Motorcycles do not materially conform to the condition stated on their respective purported certificate of conformity that the test vehicle is representative of the imported vehicles because the certificate of conformity is for recreational vehicles (i.e. off-road motorcycles) but the Subject Motorcycles are highway motorcycles. The discrepancy is material because the applicable emissions standards for motorcycles is significantly more stringent than the standards for recreational vehicles, including non-road motorcycles. The emissions standards for recreational vehicles are: 1.5 g/km hydrocarbons plus nitrous oxides (HC +NOx) and 35 g/km for carbon monoxide (CO). (40 C.F.R.

§ 1051.107). The emissions standards for highway motorcycles are: 1.0 g/km HC and 12.0 g/km CO. 40 C.F.R. §86.410-2006(a)(1). No other certificate of conformity covers these vehicles.

- (b) COUNT TWO regarding 192 highway motorcycles purportedly covered by the certificate of conformity for engine family 7CHZX.250DMS or 8CHZX.250DMA: These Subject Motorcycles do not materially conform to the condition stated on their respective certificate of conformity that the test vehicle is representative of the imported vehicles because the Subject Motorcycles have crankcases that are open and directly discharge to the atmosphere, and the applications for the certificates of conformity require a certification that the Subject Motorcycles comply with all provisions of the regulations. The certification of compliance was submitted by Lu Yuan despite the lack of conformity of the Subject Motorcycles with the regulations. 40 C.F.R. §§ 86.410-2006(d), 1051.115(a). No other certificate of conformity covers these vehicles.
- (c) COUNT THREE regarding 192 highway motorcycles purportedly covered by the certificate of conformity for engine family 7CHZX.250DMS or 8CHZX.250DMA: These Subject Motorcycles do not materially conform to the condition stated on their respective certificate of conformity, and to their certified configuration, because they contain a catalyst with significantly less volume or cell density than the certified catalyst design. A smaller, less dense catalyst has less surface area with which to react with vehicle exhaust in order to reduce the levels of regulated pollutants emitted from the vehicle's tailpipe. No other certificate of conformity covers these vehicles.

(d) COUNT FOUR regarding 192 highway motorcycles purportedly covered by the certificate of conformity for engine family 7CHZX.250DMS or 8CHZX.250DMA: These Subject Motorcycles do not materially conform to the condition stated on their respective certificate of conformity, and to their certified configuration, because they are equipped with carburetors whose manufacturer does not match the manufacturer provided in the application for certificate of conformity and because they have an idle air-fuel mixture screw that could be adjusted whereas the certificate of conformity described a carburetor with a nonadjustable idle air-fuel mixture screw. Adjustments to an engine's air-to-fuel ratio affect emissions, and the presence of this adjustable parameter renders the Subject Motorcycles materially different from the certified configuration. No other certificate of conformity covers these vehicles.

26. Recreational Vehicle Certification Violations: The EPA alleges that Respondents sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported—or caused the foregoing with respect to—961 uncertified recreational vehicles including all-terrain vehicles and off-road motorcycles (Subject Recreational Vehicles) in violation of 40 C.F.R. § 1068.101(a)(1). Table B, below, details the Subject Recreational Vehicles, the corresponding alleged violations, and the year of the violations. Each Subject Recreational Vehicle is a recreational vehicle subject to the CAA and its regulations. The EPA alleges the following two counts based on recreational vehicle certification violations:

<b>Table B: Subject Recreational Vehicles</b>		
<b>Purported Engine Family</b>	<b>Year of Violation</b>	<b>Total Vehicles and Violation Type(s)</b>
9LUYX.050AA2	2009	230 (a.)

CLUYX.050AA2	2012	460 (b.)
DLUYX.050DAA	2013	271 (c.)
<b>Total</b>		<b>961</b>

<b>Legend: Types of Violations for Counts 5 to 7</b>	
(a.)	Uncertified: Carburetor does not conform to specifications in the application for certificate of conformity
(b.)	Uncertified: Catalyst does not conform to specifications in the application for certificate of conformity
(c.)	Removable emission control labels

- (a) COUNT FIVE: 460 recreational vehicles purportedly covered by the certificate of conformity for engine family CLUYX.050AA2: These Subject Recreational Vehicles do not materially conform to their certified configuration, and therefore are not covered by the certificate of conformity for engine family CLUYX.050AA2 because they each contain a catalyst that is missing the platinum and rhodium described in the application for a certificate of conformity and has significantly less total precious metal loading than the certified catalyst design. No other certificate of conformity covers these vehicles.
- (b) COUNT SIX: 230 recreational vehicles purportedly covered by the certificate of conformity for engine family 9LUYX.050AA2: These Subject Recreational Vehicles do not materially conform to their certified configuration, and therefore are not covered by the certificate of conformity for engine family 9LUYX.050AA2 because they each contain a carburetor with a jet needle which has five clip positions to adjust the carburetor's air-fuel ratio, whereas the application for certificate of conformity described no adjustable parameters or other adjustments. No other certificate of conformity covers these vehicles.

27. Labeling Violations: The EPA alleges Respondents sold, offered for sale, introduced into commerce, delivered for introduction into commerce, or imported—or caused the foregoing with respect to—271 recreational vehicles without compliant emission control information labels. The Subject Recreational Vehicles are recreational vehicles governed by 40 C.F.R. Part 1051 and must bear an EPA-approved label as required by 40 C.F.R. § 1051.135. The EPA alleges the following based on recreational vehicle labeling violations:

- (a) COUNT SEVEN: Respondents violated 40 C.F.R. § 1068.101(a)(1) by selling, offering for sale, introducing into commerce, delivering for introduction into commerce, or importing—or causing the foregoing with respect to—271 recreational vehicles within engine family DLUYX.050DAA without compliant emission control information labels.

**Relief Sought: Civil Penalty**

28. Complainant seeks an administrative penalty against the Respondents, jointly and severally, for Counts 1–7 of the Alleged Violations of Law.

- (a) Counts 1 through 4 constitute 192 violations subject to administrative penalty independent of any other penalty.
- (b) Counts 5 through 6 constitute 690 violations subject to administrative penalty, independent of any other penalty.
- (c) Count 7 constitutes 271 violations subject to administrative penalty independent of any other penalty.

29. Complainant makes no specific penalty demand in this Complaint, as authorized by 40 C.F.R. § 22.14(a)(4)(ii).

30. As detailed above, Respondents are subject to a civil penalty that is the sum of not more than \$37,500 for each and every Subject Motorcycle and Subject Recreational Vehicle imported or offered for sale without an applicable certificate of conformity and each vehicle with a non-compliant label that was imported.
31. Complainant reserves its right to seek the maximum civil penalty authorized by the CAA.
32. In determining the amount of the civil penalty in this matter, the CAA requires that the EPA take into account certain penalty factors, namely “the gravity of the violation, the economic benefit or savings (if any) resulting from the violation, the size of [Respondents’] business, [Respondents’] history of compliance with this subchapter, action taken to remedy the violation, the effect of the penalty on [Respondents’] ability to continue in business, and such other matters as justice may require.” CAA section 205(c)(2), 42 U.S.C. § 7524(c)(2).
33. Complainant proposes to account for the CAA’s penalty factors by using the EPA’s Clean Air Act Mobile Source Civil Penalty Policy - Vehicle and Engine Certification Requirements (2009) (Penalty Policy), *available at* [http://www2.epa.gov/sites/production/files/documents/vehicleengine-penalty-policy\\_0.pdf](http://www2.epa.gov/sites/production/files/documents/vehicleengine-penalty-policy_0.pdf) (last visited February 11, 2014). This Penalty Policy calculates civil penalties based on the number of violative engines, their horsepower, the egregiousness of the violations, remedial action, and other legal and equitable factors. Generally, certification violations are “major” egregiousness, and label violations are “minor” egregiousness. Penalty Policy at 13–14. Here, Complainant alleges certification and labeling violations pertaining to 192 highway motorcycles and 961 recreational vehicles.



### Opportunity to Request a Hearing

34. Respondents have a right to request a Hearing on any material fact alleged in this Complaint or the appropriateness of a civil penalty. Respondent may request such a Hearing in a written Answer. 40 C.F.R. § 22.15(c).
35. Hearing Procedures are set out in the Consolidated Rules at 40 C.F.R. §§ 22.21 – 22.26. A copy of the Consolidated Rules is enclosed with this Complaint.

### Answer

36. If Respondents contest material facts upon which this Complaint is based, contend that a civil penalty is inappropriate, or contend that Respondents are entitled to judgment as a matter of law, then Respondents must file an original and one copy of a written Answer that conforms to 40 C.F.R. § 22.15 within 30 days after receiving this Complaint.
37. Respondents may file an Answer by any method permitted by the Consolidated Rules and the Office of Administrative Law Judges. *See* EPA Office of Administrative Law Judges, *EPA Office of Administrative Law Judges Practice Manual* 9–10, 13–14 (July 2011), available at <http://www.epa.gov/oalj/orders/alj-practice-manual.pdf> (last visited February 11, 2014); *See also* EPA Office of Administrative Law Judges, *Notice of Change of Address*, available at [http://www.epa.gov/oalj/orders/MoveNotice\\_3\\_8\\_13.pdf](http://www.epa.gov/oalj/orders/MoveNotice_3_8_13.pdf) (last visited February 11, 2014). Filing options include mail, commercial delivery, overnight mail, or hand delivery, to the following addresses:

If filing by UPS, FedEx, DHL or other courier, or personal delivery, address to:

U.S. Environmental Protection Agency  
Office of Administrative Law Judges  
Ronald Reagan Building, Rm. M1200  
1300 Pennsylvania Ave., N.W.  
Washington, DC 20004

If filing by the United States Postal Service, address to:

U.S. Environmental Protection Agency  
Office of Administrative Law Judges  
Mail Code 1900R  
1200 Pennsylvania Ave., N.W.  
Washington, DC 20460

38. Respondents must also send a copy of the Answer to the EPA attorney assigned to this matter, David E. Alexander. The Answer shall be served personally, by USPS (including certified mail, return receipt requested, Express Mail, and Priority Mail), or by any reliable commercial delivery service. 40 C.F.R. § 22.5(b)(2). If using USPS (except Express Mail), Respondents must use the following address:

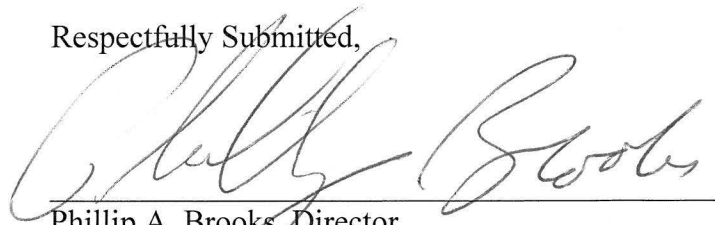
David E. Alexander  
U.S. EPA, Air Enforcement Division  
1200 Pennsylvania Ave., N.W.  
Mailcode 2242A  
Washington, DC 20460

If using USPS brand Express Mail, Fed Ex brand, or UPS brand Express Mail or any other carrier, Respondents must use the following address:

David E. Alexander  
U.S. EPA, Air Enforcement Division  
1200 Pennsylvania Ave., N.W.  
William J. Clinton Federal Building, Room 1111-A  
Washington, DC 20004

39. Respondents' failure to request a Hearing or to file a written Answer within 30 days after receiving this Complaint may result in the waiver of their right to contest allegations set forth in this Complaint or a default judgment pursuant to 40 C.F.R. §§ 22.15, 22.17.

Respectfully Submitted,



Phillip A. Brooks, Director  
Air Enforcement Division  
Office of Civil Enforcement  
Office of Enforcement and Compliance Assurance

1200 Pennsylvania Ave., N.W.  
William J. Clinton South Federal Building  
Room 1117, Mailcode 2242A  
Washington, DC 20460  
(202) 564-0652  
brooks.phillip@epa.gov

3/18/2014  
Date



David E. Alexander, Attorney Advisor  
Air Enforcement Division  
Office of Civil Enforcement  
Office of Enforcement and Compliance Assurance

1200 Pennsylvania Ave., N.W.  
William J. Clinton South Federal Building  
Room 1109A, Mailcode 2242A  
Washington, DC 20460  
(202) 564-2109  
alexander.david@epa.gov

3/18/2014  
Date

CERTIFICATE OF SERVICE

I certify that the original and one copy of the foregoing Complaint *In the Matter of Lu Yuan, Inc., and Zhejiang Yongkang Luyuan Industrial & Trading, Co., Ltd.*, dated, March 19, 2014, was filed this day by hand delivery with the EPA Office of Administrative Law Judges at the address listed below:

U.S. Environmental Protection Agency  
Office of Administrative Law Judges  
Ronald Reagan Building, Rm. M1200  
1300 Pennsylvania Ave., N.W.  
Washington, DC 20460

I certify that on the date indicated below I sent by United States Postal Service Certified Mail, and by electronic mail, one copy of the foregoing Complaint and a copy of the Consolidated Rules of Practice, 40 C.F.R. Part 22, to the Respondents at each of the following addresses:

Lu Yuan, Inc.  
Attention: Gang Yi Ying, President and Certification Consultant  
19295 E. Walnut Dr. N, Unit E  
City of Industry, CA 91748

[luyuanUSA@gmail.com](mailto:luyuanUSA@gmail.com) (Subject: Attention: Gang Yi Ying, President and Certification Consultant, Lu Yuan, Inc.)

[luyuan@vip.163.com](mailto:luyuan@vip.163.com) (Subject: Attention: Gang Yi Ying, President and Certification Consultant, Lu Yuan, Inc.)

Zhejiang Yongkang Luyuan Industrial & Trading, Co., Ltd.  
Attention: Gang Yi Ying, General Manager and Legal Representative  
19295 E. Walnut Dr. N, Unit E  
City of Industry, CA 91748

[luyuanUSA@gmail.com](mailto:luyuanUSA@gmail.com) (Subject: Attention: Gang Yi Ying, General Manager and Legal Representative, Zhjiang Yongkang Luyuan Industrial & Trading, Co., Ltd.)


[luyuan@vip.163.com](mailto:luyuan@vip.163.com) (Subject: Attention: Gang Yi Ying, General Manager and Legal Representative, Zhjiang Yongkang Luyuan Industrial & Trading, Co., Ltd.)

Lu Yuan, Inc.  
Attention: Peter Wong, General Manager  
19295 E. Walnut Dr. N. *Unit E SA*  
City of Industry, CA 91748

[luyuanUSA@gmail.com](mailto:luyuanUSA@gmail.com) (Subject: Attention: Attention: Peter Wong, General Manager, Lu Yuan, Inc.)

[luyuan@vip.163.com](mailto:luyuan@vip.163.com) (Subject: Attention: Attention: Peter Wong, General Manager, Lu Yuan, Inc.)

*Mar 19 2014*  
Date

  
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David E. Alexander, Attorney Advisor  
Air Enforcement Division  
Office of Civil Enforcement  
Office of Enforcement and Compliance Assurance

1200 Pennsylvania Ave., N.W.  
William J. Clinton South Federal Building  
Room 1142C, Mailcode 2242A  
Washington, DC 20460  
(202) 564-2109  
alexander.david@epa.gov